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24 MARCH 1987

WEST EUROPE REPORT

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LATEST GOVERNMENT RESHUFFLE: PERSONALITIES, COMMENTS

Questions, Answers on Reasons, Results

Athens TO VIMA in Greek 8 Feb 87 pp 6-7

[Article by I.K. Pretenderis: "Questions and Answers About the Reshuffle and What Is Going To Happen"]

[Excerpts]. Question: Why did the reshuffle take place now?

A question in answer to a question: Maybe, finally, this is the "sweeping reshuffle" everyone expected after the municipal elections? If it is, it is confirmation that the prime minister does not wish to act under the pressure of circumstances and--mainly--under the pressure of an (unfavorable) election result. Let us remember that, immediately after the municipal elections, there was sustained anticipation of an extensive reshuffle which would radically change the face of the government. In fact, for the first time it was reported that Georgios Gennimatas and Menios Koutsogiorgas might leave the government. Papandreou responded to the disenchantment caused by the October reshuffle by talking about a "partial renewal" (statements to the Council of Ministers, 31 October). Therefore, the prospect of a "total renewal" continued to exist.

In the 3 and 1/2 months which have passed, many different things have happened, from the "outbreak of the scandals" to the speech at Davos. Consequently, the 6 February reshuffle imprints the whole intermediate journey, changing, up to a point, the original framework of the "total renewal." In this interval--and within the new reality formed by the municipal election results--Papandreou redefined, in a series of public interventions, the political framework within which the government and the party will act. The changes of people were the natural consequence of this clarification.

Question: Does this reshuffle also mean a political turn?

Such a thing seems minimally possible. The government's navigating line has been determined by Papandreou in a series of public interventions: discussion on the defense policy in the Chamber of Deputies, speech at Davos, speech to the PASOK Central Committee. Diversifications in the government policy have also been noted in the trade-union sector. The reshuffle comes as the completion of a partial reorientation, not its forerunner. The only sector, perhaps, in which there might be some question is that of health. Is Gennimatas' departure a simple "alternating of people" or does it conceal a different approach

for the ESY [National Health System]? In the remaining ministries in which a wider political turn could be set up, the changes do not seem to indicate such a thing.

Question: Should changes in the economic policy be expected?

The continuing presence of Kostas Simitis and Dimitrios Tsovolas in the government, in conjunction with the shifting of Roumeliotis to the Ministry of Commerce and removal of Gennimatas and Saranditis, clearly indicate that no change in the economic policy is being planned. Simitis emerges strengthened by the reshuffle since he is one of the last historic PASOK officials remaining at the head of a large ministry. Furthermore, the composition of the government ensures him that there should not be many ministers who will express "alternative proposals" to his policy.

Question: Will the foreign policy change?

The composition of the ministries of foreign affairs and national defense give to this question a clear-cut answer: No! It is not the time for big shake-ups in the foreign and defensive sector, something which the prime minister made clear by keeping the acting government officials in these sectors. Even Ioannis Kapsis--who could, in conformance with the "stock exchange of ministers," be transferred exclusively to Zalokosta street--continues to keep two sub-ministries. This, of course, does not exclude certain "mini-changes" along the way, and it is a fact that many are looking in the direction of the Sub-Ministry of Foreign Affairs.

Question: What criteria predominated in the changes of people?

The moment it is understood that the reshuffle is not setting up wider political reorientations, it is clear that the changes were made with personal criteria. The fact is that the prime minister was anything but satisfied by the image presented by his government--in the interval from the municipal elections until today. There was the feeling that many were trying to pull the covers over themselves and that the cases of "personal policy" were multiplying.

As a rule, with this reshuffle Papandreou sent the message that, until further notice, he continues to hold the deck of cards in his hands: that no one--friend, family or comrade--is fixed. And this is true in regard to the "PASOK elders."

In other cases (such as that of Saranditis), the reshuffle was called upon to settle disputes which the ministers had created with strong economic functionalities in their area.

Question: Can one talk about a government of elections?

There are pros and cons. The delicate geographic balances and excessive care with which PASOK's Parliamentary Group has been surrounded may mean a diligent hunting for the last votes.

On the other hand, no one is going into elections with a completely renewed (therefore inexperienced) leadership in the Ministry of Interior, and with an inalterable economic policy, which may be necessary but is not certain to carry away the voters.

Question: Can the government reshuffle be considered a sign of an election year?

To the contrary, it confirms the opinion that elections are not going to take place in 1987. And they will not take place until the present economic policy bears some fruit (therefore: brings some relief!) and until the PASOK party machine is reorganized to some satisfactory level.

Question: How will the relations of government and party shape up now?

This will probably be the most interesting point in the developments in coming months. And shown here will be precisely what it is Papandreou was pursuing with the reshuffle: shifting the center of weight from the government to the party, or honorarily putting the PASOK "elders" out of commission?

A series of signs (and information) indicate that the prime minister was trying, at the same time, to revive the party, but also to disengage from a set of contrapositions which, in his estimation, damaged the government image. In this case, the new EG [Executive Office] will occupy, ipso facto, an important position in relation to the government--even more when its chief members have a developed comprehension (and experience) about specific and critical sectors of the government policy: The new EG will have in its ranks officials who have been engaged at a government level in the public administration, the economy, health and welfare, transportation and communications. A "minister of foreign affairs" is lacking but Georgios Papandreou has not concealed the fact that foreign policy interests him. If, at any rate, someone wished to set up a "shadow government" he could not find a better combination.

Question: In the last analysis, have the PASOK "elders" been promoted or demoted with their switch from government to party?

According to the traditional code for our political life, departure from the government is a sign of demotion. Most of those directly interested perceived it somewhat in this way.

The thing also has its positive points, however. First, the "measure's collectivity" does not personify demotion. Next, the prime minister's letter officially "anointed" those first in order. Third, public opinion always fosters sympathy for those "removed" who pass on, moreover, to political positions far less destructive than those they held.

They may be deprived of the outward features of power.

It is not certain, however, that this small "seclusion" will do them harm. Furthermore--and since those departing are accustomed to philosophizing--the following abstract question might occupy them: Who will have a greater influence on PASOK's electoral policy? A "demoted" Koutsogiorgas or a "promoted" Papastefanakis?

PASOK Source on Causes

Athens TO VIMA in Greek 8 Feb 87 p 1

[Excerpt] In a conversation with TO VIMA, a responsible PASOK source gave the following explanation about "how Papandreou was thinking" and why he formed the new government:

"Over time Andreas had realized that, unwillingly most times, certain big names holding grave ministries had meddled in the work and decision processes of other ministries and ministers who are not "celebrities." This resulted, aside from other things, in frictions on a human level and delay, if not a complete stop, in the government's work. The only solution, therefore, was removing these "big names" from the government, with the exception, of course, of those who were responsible for the economic, military and foreign policy--an additional emphasis that, on the main issues, the government policy remains stable from every side."

According to the same source, "Andreas judged that the negative consequence of removing the officials deemed worthy from the government would be less, in the long-term, than the positive effect it would entail." The danger of it "being misinterpreted," in other words, that "he is slaughtering his dauphins" or expressing "hegemonic tendencies"--of which he was accused by Mitsotakis on 6 February--is not considered serious, "given the nature of PASOK and Andreas' indisputably masterful personality."

This "explanation" has, of course, an intense partisan character. Nevertheless, other political sources outside the government and government area acknowledged yesterday that, henceforth, Prime Minister Papandreou will be more undiverted in supervising and directing the main government work, particularly economic affairs. Naturally, this brings the prime minister to the center of every government activity or inactivity and surely, from now on, Andreas Papandreou will be considered more directly responsible for his government's non-productivity.

Former Close Collaborators' Dismissal

Athens TO VIMA in Greek 8 Feb 87 p 9

[Excerpts] As concerns the much-discussed removal of Menios Koutsogiorgas, who recently had strengthened his ties with PASOK's party base, there are many possible explanations. It is certain that Koutsogiorgas--although accused by certain circles of "bossism" and "intending to create a personal network" in the new districts and nomarchies--continues to enjoy the prime minister's trust.

Koutsogiorgas himself, who is soon going to Paris for health reasons, had been acquainted at the proper time and received the assurance, "Menios, we will do elections together."

At any rate, the decision to remove from every government power any kind of "front-liners" and "leaders of the post-Andreas season" apparently did not play an insignificant role in Koutsogiorgas' elimination--or that of Gennimatas.

The removal of Giannis Papadopoulos is considered normal, and certainly from the moment the Ministry of Health and Welfare and the ESY [National Health System] was taken over by Georgios Mangakis, who is known for his moderation and his good relations with university circles of every category.

Vaso Papandreou, Stefanos Tzoumakas, Athanasios Tsouras and Giorgos Papandreou were removed mainly for reasons of "balances" and upgrading the EG, and less because of "frictions" of the first three with the ministers. At any rate, all four were surprised by the prime minister's decision and, if one judges from

the statements of their close colleagues, they apparently were not enthusiastic about the shift in the movement's leadership.

Of the four, Giorgos Papandreou--who is being upgraded, in terms of the party, to a first-ranking cadre--was so sure he would be staying that he had chosen for his new office the one used by Lazaris and Tsokhatzopoulos on Zalokosta street, where repairs had begun.

If Koutsogiorgas and Gennimatas remain in the positions of PASOK parliamentary representatives (regular and alternate), it does not appear that Tsokhatzopoulos will assume the duties of secretary general in the movement. As is reported in another TO VIMA publication, the man who was minister to the prime minister until day before yesterday had, over time, completed his government orbit.

New Functions Defined

Athens TO VIMA in Greek 8 Feb 87 p 3

[Text] "A government of business, not planning" will be the new ministerial body which emerged from last Thursday's reshuffle. According to TO VIMA's excellent information, the Council of Ministers sessions on the whole are going to be replaced by meetings of special collective bodies, which are, on one hand, the three interministerial circles and, on the other, the KYSYM [expansion unknown], KYSEA [Government Council for Foreign Affairs and Defense], ASOP [Supreme Economic Policy Council], etc.

Specifically, the new ministers and deputy ministers are not going to be dealing with the government's strategic goals, or even with general policy issues and big announcements, but they are called on to implement specific decisions and specific work in their sector.

Furthermore, in accordance with the prime minister's decision issued to certain appropriate ministers (Kaklamanis, Roumeliotis), there are not going to be any changes in the general decisions made thus far--for example, concerning rents and the uniform tax.

With the new government's clarified "operational framework," the new ministers will refer issues in their jurisdiction which touch on the general government policy to the collective bodies, such as the KYSYM, KYSEA and ASOP, in which the prime minister presides. These bodies--with the participation, of course, of the appropriate ministers--will map out the final policy on the so-called "interministerial issues," such as the construction of large developmental works, the policy on prices, the problematic enterprises, the tourist policy, etc.

As the prime minister stressed characteristically in the 6 February session of the Council of Ministers, "for me there is a unified government policy which all the ministers must follow." At the same time, the three interministerial circles (economic, quality of life and public administration) will be maintained: their heads, Kostas Simitis, Georgios Mangakis and Apostolos Kaklamanis, will coordinate the efforts for "programs of action" by ministries and areas of co-jurisdiction, such as hirings in the public sector, the new buildings for the ESY [National Health Council], the Metro, etc.

These two categories of collective functions will replace, just as in the past, the regular sessions of the Council of Ministers which will meet once a month.

Added to the problems of the government's structure and new procedures are going to be those concerning the new methods of operating. It is clear that Papandreou no longer has to deal with the old frictions and rivalries on issues of "protocol, hierarchy and jurisdictions," such as those between Koutsogiorgas and Tsokhatzopoulos concerning supervision of the public administration circle, or those which arose between Simitis and Tsokhatzopoulos when he was temporarily appointed head of the three interministerial circles.

At the same time, the new ministers will implement, without protest, the prime minister's old decision that they work closely with the deputies in the appropriate Parliamentary Work Sector [KTE], something which in the past has caused many complaints among the deputies.

There is also no doubt that nearly all the new deputy ministers--among whom there is no longer any distinguished party member--are going to have no problems in cooperating with the ministers--much more, certainly, when the prime minister himself will be setting the limits of their jurisdictions.

Two other issues related to the new government's operation are, of course, that: on one hand, the new ministers will have the primary, if not the absolute, political responsibility for the area of their ministry and, on the other--and above all--that the role of the prime minister's staff in the government's activity will become decisive.

Surprise at Giorgos' Dismissal

Athens TO VIMA in Greek 8 Feb 87 p 13

[Text] Giorgos A. Papandreou is the youngest of the "elders." Born in the United States in 1952, he studied sociology and sociology of development at the universities of Massachusetts and Stockholm, as well as at the London School of Economics.

First elected a PASOK deputy for Akhaia in 1981--and the leader in number of votes--he was re-elected in 1985. The "third of the Papandreou's," he was relatively late in making his appearance in the government: It was just in the summer of 1985 that he became deputy minister of culture, a sub-ministry which emerged from the "fusing" of the general secretariats of youth, popular education and emigrant Hellenism. In other words, he remained in the government a total of 18 months.

His term in the government left mixed impressions. On one hand, he gave the image of a young, modern politician, open to dialogue--a feeling created by his appearance at the festivals of all the political youths--with the intention of going past the traditional dividing lines between the factions and making modern demands, such as the one for free radio broadcasting. On the other hand, many attributed to him "meddlesomeness" and an inclination "to interfere in everything" with the "air" given him by his relationship with the prime minister. While he himself remained modest and maintained an indubitable special style and character, apparently the same was not true for people in his entourage.

Many people in the government, but also in the party, complained about the interventions of "Giorgakis' people" or those who sought that title for their own benefit. Most times, the interventions may have occurred without his knowledge but the suspicions about an "attempt to create a personal clientele" rest with him.

His journey to the government and the Executive Office are rather normal and do not appear to have garnered any special favor from his father. He has been secretary of important PASOK committees (such as the Enlightenment Committee) and a simple member on other committees (such as the Cooperativeness Committee).

He was a member of the Coordinating Secretariat before the 1984 congress at which he was elected to the PASOK KE [Central Committee] (the twelfth elected, with 1,260 votes). He has made known his opinions on the need to organize a "new type of party," open to society, with legislated inclinations, lucidity in internal procedures and a democratic operation.

These opinions of his were criticized in the last KE meeting by traditional cadres, including Georgios Gennimatas. Many of these attacks arise mainly from the suspicion that Giorgos Papandreou is building "a leader's profile" and that he is attempting to lay a claim in the future to the PASOK leadership "by right of inheritance." He himself has not expressed any such intention. At any rate, PASOK's "traditional leading group" does not view him with particular goodwill: Earlier, there had been reports of his frictions with Kostas Laliotis, while "skirmishes" with Menios Koutsogiorgas had been noted, mainly in Akhaia.

His departure from the government surprised many who--based on the "scenario of succession"--expected him to be promoted to the Ministry of Foreign Affairs, or somewhere else.

From this viewpoint, his removal should help him. While the accusations about "presidential favor" are no longer being set up (if he stayed in the government at a time when all the other "elders" were being removed, there would be many reactions), he will now be able to continue his career from a less exposed--but not a less important--political post. On the other hand, his absence from an "EG of elders" might act more negatively than his removal from the office of deputy minister of culture.

Biodata on New Government Figures

Athens I VRADYNI in Greek 6 Feb 87 p 7

[Text] Three new ministers and six deputy ministers make up the government's "new" face since they are occupying a ministerial seat for the first time. Of these, five are lawyers, two are doctors and one has studied social sciences and has worked as an educator abroad, while the other has worked as an insurance company employee. It is worth noting that their average age is 49.3.

It is also noteworthy that two of the nine new people will be deputy ministers for Minister of Education Andonis Tritis. All except one were elected deputies for the first time after the return to democracy in 1974. The nine new people in the government are:

Em. Papastefanakis (minister of interior): Born in Margarikari, Irakleion, in 1940. Studied law at Athens University and has worked as a lawyer. Elected deputy from Irakleion for the first time in 1981. Married, with one son.

Sp. Kaloudis (deputy minister of finance): Born in Argyrades, Kerkyra, in 1936. Studied law and economics at Athens University in order to then become a practicing attorney. Elected deputy from Kerkyra for the first time in 1981 with PASOK; re-elected in 1985. Member of the Pasok Central Committee. Joined PASOK in 1974. In the years before the dictatorship he was a member of the Lambrakis Youth. Married and has two daughters.

D. Papadimitriou (deputy minister of education): Born in Giannitsa in 1943. Studied social sciences at the University of Stockholm where he also worked as an educator. Elected deputy for the first time in Pella Nome in 1977, and re-elected in 1981 and 1985. Married, with two sons and a daughter.

Petros Valvis (minister for the Aegean): Born in Ermoupolis, Syros, in 1938. Studied law, and is a lawyer from the Areios Pagos. A founding member of PASOK and has been the elected deputy from Kyklades since 1977. An alternate member of the PASOK Central Committee. Married and has a son and a daughter.

I. Konstandinidis (deputy minister of education): Born in Knidi, Grevena, in 1943. Studied law at Salonica University, graduated in 1969 and became a practicing attorney in Grevena until the 1981 elections when he was elected deputy. Joined PASOK in 1974 and acted as first secretary of the PASOK Nome Committee until 1981. A candidate for deputy in the 1977 elections but did not succeed. Has been elected a member of the Disciplinary Council. Married, with a son.

G. Daskalakis (deputy minister of commerce): Born in Langadia, Arkadia, in 1936. Worked as an insurance company employee until 1981 when he was elected deputy from Athens with PASOK, and re-elected in 1985. Married and has two daughters.

Ath. Filippopoulos (minister for Kalāmata): Born in 1934 in Koryfasion, Messinia, and studied medicine at Athens University. In student years, joined EDIN [Greek Democratic Youth] and went into politics for the first time (without success) in 1974 as a PASOK candidate in Messinia. Has been the elected deputy in the same area since 1977.

K. Tsigaridas (deputy minister of agriculture): Born in Kamaria, Agrafa, Evrytania Nome, in 1939. Studied law and political science at Salonica University and the Pandeion. Worked as a lawyer and was a member of PAK [Panhellenic Liberation Movement] since its establishment. Elected a member of the PASOK Central Committee in 1974 and a deputy from Evrytania for the first time in 1981. Had gone into politics, without success, in the 1974 elections. Secretary of the inquiry committee for the Cyprus file. Married, with two sons and a daughter.

Spyros Rallis (deputy minister of transport): Born in Ano Garouna, Kerkyra, in 1930. A medical and surgical doctor and specialist in rheumatology at the University of Rome. A cadre of the Italian Socialist Party since 1954. Went into politics for the first time in 1963 (without success) with Center Union and has been an elected deputy with PASOK since 1974. Married and has two daughters.

Reshuffle Seen Confirming Papandreou's Power

Athens I KATHIMERINI in Greek 6 Feb 87 p 5

[Editorial: "The Reshuffle"]

[Excerpts] Whether he is hoping to prolong his power or is planning to prepare for "elections" which will unfailingly bring him "victory," neither will be achieved by Papandreou with yesterday's government reshuffle, the most sensational of those he has undertaken since October 1981. Because his government has become neither better, nor more cohesive, nor more capable with the old people he dismissed and the new ones he appointed. Nor, moreover, could it have become such. It will only be more obedient to his commands, with these anonymous or semi-anonymous people he pulled up to the surface from the depths of the party lists, and the former failures he restored to the fore-stage from the silence of the past.

The new reshuffle confirmed three things: the quality of the Papandreou leadership, the essence of PASOK's power, and its course to downfall.

The ease with which Papandreou shifts his high officials from the fore-stage to obscurity, from political activity to political death, was well-known; yesterday it was triumphantly confirmed. And these are not simply first-line officials; they are people who were his political continuity, his alter ego, his second--and often provocative or even repugnant--voice. But it appears no link and no role binds him.

Maybe this is a form of tactics: to entrust to his officials great roles, serious responsibilities, critical sectors, to arm them with rights and jurisdictions unusual for parliamentary regimes--such as the...czar of the economy--in order to transform them in this way into lightning-rods of popular reactions and depositories of all responsibility. While he himself always took care to maintain for himself two roles, not particularly valiant, of course, but indicative of a leader's character: that of the unchecked judge who could condemn anyone and pile on him all the responsibilities for failure; and that of the unaccountable ruler who could utter that historic, "I only presided." Such a mixture of a leader's self-interest and political cowardice is certainly not common in parliamentary annals. It is manifest, however, in yesterday's reshuffle....

The essence of PASOK's power is the second revelation of yesterday's ministerial dismissals and appointments. All exist to serve the will of Papandreou; to disguise it in a party decision and thus lend it greater validity and more strength.

Yesterday's reshuffle confirms absolutely what has been based thus far on clear signs: that the source of all power is Papandreou. In other words, we find ourselves facing a one-person party and a partisan regime, that is, under a one-person regime. No one has the right to doubt this after yesterday's reshuffle.

The final course to downfall is the third conclusion of yesterday's reshuffle, the third confirmation of a situation which was already apparent from a host of facts, but now becomes unquestionable.

Customary phenomena for one-person regimes when they are marching to the end are these stopping-points during which officials all-powerful until that moment are thrown into the trash (and this is the best case...). And they are discarded either so they can take with them the responsibilities for failures or because at some point they were disrespectful to the ruler's authority; or, as is more usual, for both reasons. This is precisely the phase during which one-person regimes and their rulers move away from reason, when it is difficult for their next movements to be foreseen....

9247

CSO: 3521/80

PESSIMISTIC ANALYSIS OF LATEST GOVERNMENT RESHUFFLE

Athens TO VIMA in Greek 15 Feb 87 p 13

/Article by Marios Ploritis/

/Excerpts/ From the very moment of its inception, PASOK blessed "socialist transformation" in our country. However, from the time that it became the government, instead of transforming us it is constantly restructuring itself, reforming itself and reorganizing itself --and each time it pretends that some "higher" (and undetermined) reasons require bringing about yet another reshuffle and putting off the "resurrection" of transformation which, nevertheless, will come about once the restructured government is consolidated into a "plausible format."

However, doubt (or suspicions, if you will) do not end here:

It is said that the twelfth reshuffle was dictated by the need "to reinvigorate" the government and party.

But how can one reinvigorate a government that is censured by its own primate over its "incorrible" conduct, without even determining which ministers or sectors deserve the blame? How can the citizen trust the new ministers (and how can the ministers themselves trust themselves) when he sees that those who for 5 whole years had been described as "the best of the best" and "the most historic of the historic" are being collectively dismissed forthright. How can the new ministers produce with "spirit and energy" when they realize that the sword of Damocles --a reshuffle-- hangs over their heads --that inevitably "will strike" for the thirteenth time and that it will not miss them since neither "the bravest of the brave" of the movement nor the "frontline standard bearers" of Change managed to escape it? This is something that means that the prime ministerial guillotine does not take into account either party seniority nor ministerial "abilities."

On the other hand, if those departing are "deigned to be considered worthy," as their leader describes them, why were they dismissed like unruly students? Why did the government "deprive itself" of their presence for the benefit of the party? Is it beneficial for the people to have the government "grow pale" while the party's cheeks (anemic at that) "grow rosy?" Is the party much more important than the government of the country?

Also, how can the executive office be "upgraded" when the new members (those dismissed) had suffered "the diminution of life" (or as the Romans used to say "capitis deminutio"), that "purge" without any explanation and, indeed, before the eyes of all the Greek people? And how can the executive office be "re-upgraded" when its members have been essentially appointed by its chairman, in other words, they are his dependencies and, in fact, unable to criticize even the slightest "sin" in his party?

Do not all of the above augur new "distortions" and new "corruption" --that will certainly once again disconcert us--and that will continue in endless repetition?

So, why a reshuffle, indeed, at such a scale and depth? The "distrustful ones" will discover new targets deeper than those revealed --targets that have the following code names:

1. First target: to put the blame for the failures, ineffectiveness, misfortunes and confusion of the 5-year government on those involved in the reshuffle. And since these "illnesses" had increased and since "secondary" officials were usually involved in previous reshuffles without anyone ever being convinced that they were really to blame, the errors must now be attributed to "first-rank" officials --who, moreover, had been in government all these years and in the party from the very beginning. They and only they can serve as propitiatory sacrificial victims. and become scapegoats.

2. Second target: "to downgrade" all who became party and ministerial "feudal lords," manor lords," "group leaders" and other such individuals. This has always been described by the party leadership as "those groups that cooperate with suspect international and domestic imperialist circles" (23/12/1976), as "the death of the mass movement" (19/1/1975), and it is for that reason that "they will be hit hard by our people" (30/8/1981), in other words, by the party leadership that automatically and obviously is identified with the people.

It is to this sin that the prime minister alluded in his letter of 5 February in talking about "various 'poles' of authority with centrifugal trends," "friction" between them, their "disagreements and contradictions," their infighting and their undermining each other that all led to cause him "nausea," as he had said once before 2-½ years ago.

3. Third and final goal --and a natural byproduct of the previous ones--is for the leader to remain "the only lord, after God" of the party and government Eden, indisputable and imperturbable, completely free to say and refute, to purge and to appoint, to excommunicate and to bless, "to shut down" bases by opening them, to curse capitalists by appealing to them, as well as other similar things.

The most surprising thing yet (is it really?) is how as scapegoats they accepted taking all of this stuff without uttering a single word but went along speechless and applauded in accordance with the instructions given by the master, without anyone, distinguished or not, rising up and protesting over the second and more resounding "slap."

5671

CSO: 3521/85

NO WILL FOR EARLY ELECTIONS SEEN IN POLITICAL SPECTRUM

Athens TO VIMA in Greek 15 Feb 87 p 10

/Editorial: "Who Wants Elections?"/Text/ There has been a lot of talk recently about early elections, but who really wants them?

The list should begin with those who appear to seek recourse to the ballot box: there is no doubt that Mr K. Mitsotakis, ND leader, is calling for elections because he cannot do otherwise. It is a very well known fact that named ND officials have criticized him for "collusion in detente" with the government with the goal being to win time and to strengthen his intra-party position. On the other hand, certain officials feel that the present ND leader has called for elections now so that an atmosphere of impending elections might be created that would avert any form of intra-party conflict. At the same time, Mr Mitsotakis knows that elections without his becoming a winner (and who really believes that ND as it is now can win elections?) will also mean the end of his leadership role. After elections are held Mr Mitsotakis may be a party leader but not of ND. He probably will be the leader of some minor splinter party.

Nevertheless, do those within ND who reject and have doubts about their present leader perhaps want early elections? No. Because, one way or another, they hope that within a 2-year period some deus ex machina (not from the palace since this no longer exists nor from Mr K. Karamanlis who has withdrawn himself) will improve ND's picture. He would propose or impose a true renovative leader as far as the conservative party is concerned.

Is it possible that those now in power might want early elections? Mr Papandreou has never hesitated, when needed, to publicly acknowledge the insufficiency of the PASOK government's work. And he has also decided to provide, in the 2 remaining years, a lesson in action. Why, then, would he want elections before he succeeds in those things that he himself publicly says he deems absolutely necessary and to once again ask for a vote from the people?

What about those "swept aside" who no longer are in government but who remain in PASOK? The answer is theoretical in nature because if they try to impel the country toward elections and upset the prime minister's plans, then they would not even be included in electoral coalitions. Would it be to their interest, if we were to conjecture that they would be able to? No.

The "powerful" Left? It is clear that the KKE is taking into account the difficulties the government is facing through the implementation of its austerity policy. In the past it supported slogans against austerity, against the intensification of studies, and other such matters. It now awaits for damage during the coming "2-year period."

The smaller parties? They are almost non-existent electorally-speaking. Let us not doll things up and let us put aside politeness: if there is no major turnabout in political currents and a most simple proportional electoral system, if elections were to be held tomorrow they would only confirm yesterday's.

Finally, do those so-called "fence-sitters," who gave an easy majority sometimes to Plastiras, Papagos, Karamanlis and Papandreou perhaps want elections now? These voters always used to give their vote with the slogan and hope for a "change." For them to change now from "Change" what are they being offered in exchange? Mr Mitsotakis and the old Right? They are waiting and hoping.

5671

CSO: 3521/85

GORBACHEV VISIT LESS PLEASING TO PAPANDREOU

Athens EMBISTEVTIKO GRAMMA in Greek 21 Jan 87 p 3

[Text] Contrary to what he felt in the past, this time Prime Minister A. Papandreou is facing--with no great enthusiasm--the probable arrival in his country of Soviet leader Mikhail Gorbachev. Despite the fact that a meeting "at home" with the leader of a superpower would strengthen his "cards" domestically and especially on the left, there are three basic reasons why the prime minister seems dissatisfied:

First, according to our information, the Soviet leader will not limit himself to a summit with Mr. A. Papandreou but will also seek talks with the leader of the official opposition and perhaps also with Mr K. Karamanlis, the former President of the Republic..

Second, Mr Gorbachev will recommend dialogue with Turkey, a procedure that Mr A. Papandreou has hitherto rejected for various reasons, just or not.

Third, the Soviet leader's trip to Greece is part of a visit to other European countries and is interpreted as a Soviet opening to Europe. In substance, this opening constitutes disapproval of Mr. A. Papandreou's old antiwestern stance.

12570/12948

CSO: 3521/81

GOVERNMENT-CHURCH CONFRONTATION ON CHURCH HOLDINGS

Athens ELEVTHEROTYPIA in Greek 30 Jan 87 p 16

[Article by Giorgos Tsakiris]

[Excerpts] A stormy confrontation between the Church and the Ministry of Education and Religions is expected within the coming days. As church circles report, the reason for this is the amendments that Minister of Education A. Tritsis has begun to make in the bill on church property, without the approval of the hierarchy of the Church.

According to exclusive information received by the ELEVTHEROTYPIA, the Church asserts that the new bill is harsher than the ones in existence before now, since for the first time it does not exempt the property assets of the Church of the Dodekanisos, which belongs to the Ecumenical Patriarchate, nor does it exempt the agricultural lands cultivated by the monasteries of Mount Athos.

From the moment when the reports on the amendments reached church circles, anger and panic have been in evidence at the offices of the Holy Synod. The telephones have been ringing wildly, and Archbishop Serafeim and the bishops are examining carefully their next move. The first decision of the bishops was to send a telegram to the minister of education, in which they request of him that they have new deliberations on the issue of church property.

[line illegible]..."and we say this because on 17 December of last year, Premier Papandreou had stated that he himself would be handling the issue of the church property, in an understanding reached with the archbishop. The actions of the minister mean one of two things:

"a) That Tritsis is acting on his own, despite the decisions of the premier, or

"b) That the new amendments and the way in which they are being made are in accordance with the instructions of the premier, who has gone back on his statements of last December."

The Monasteries Will Close

According to church circles in any case, the repercussions from the quarrel between the Church and the State will be great. The bishops are ready to resort to international tribunals and to the EEC, and the superiors of the Mount Athos monasteries will close their doors to tourists. They said specifically that the monasteries are Legal Entities of Public Law and that nobody can take their property away from them.

The repercussions from the banning of admission of tourists into the monasteries of Mount Athos would be great, because every year thousands of foreigners come and live with the monks. Such an action on the part of the monks would have serious consequences for our tourism, which is already expected to be diminished due to the fear of AIDS, say the "holy fathers."

12114

CSO: 3521/83

PAPANDREOU-SARTZETAKIS RELATIONS CONSIDERED TENSE

Athens KYRIAKATI KI ELEVTHEROTYPIA in Greek 1 Feb 87 p 48

[Article by Panos Loukakos: "Prospects in Papandreou-Sartzetakis Relations"]

[Text] When Prime Minister Andreas Papandreou offered the presidency of the republic two years ago to the then Cassation Court judge Khristos Sartzetakis, he certainly could not have imagined that their relations would reach their current point.

When, about two years ago, the then Cassation Court judge Khristos Sartzetakis accepted the offer he too could not have imagined what would be the future course of events.

Thus both sides' misunderstanding of intentions and aims has led to the current "disharmony" in the relations between the presidency of the republic and the government. The crisis of recent days, the Roussos affair, is only the tip of the iceberg. Because the problems are much deeper and their causes are not going to be erased in the future. Even when today's new crisis has been forgotten, the cold war between the government's two top officials will continue and with each new pretext it will turn hot.

There is an explanation for all this. When in March 1985 Mr Andreas Papandreou was deciding in his well-known way upon the removal of Konstantinos Karamanlis from the presidency of the republic, he knew very well that this act did not constitute a "break" with the past, as he presented it. Quite simply, the prime minister had decided then that he wanted for himself that piece of authority that the constitution granted to the president of the republic. At that time the prime minister feared not only the authority that the constitution granted to the president but also the political authority of Mr Karamanlis. He considered the fact that in the course of events they could find themselves face to face.

With this logic Mr Papandreou chose Mr Sartzetakis to be president of the republic. The latter was a judge on the supreme court, far from politics, having no autonomous political base at his disposal and no knowledge of the rules of the political game. Consequently, PASOK's choice for president would never have the chance to come into conflict with the politicians who elected him to the highest office in the country. Indeed, with the revision of the

constitution that was made after the presidential election, the president was formally limited to an apolitical role. It is plain, then, that what was hiding behind the so-called "break of 9 March" was nothing other than the prime minister's intention to acquire all authority himself. For this reason it was quite logical for Mr Papandreou to have expected a different view of things from Mr Sartzetakis. Given the reasoning behind these selections, it was logical for the prime minister to want an "ornamental" president.

For his part, Mr Sartzetakis accepted the offer made to him, but it seems that he has never accepted the role that the offer contained. In his two years in office, the president of the republic has tried to prove that he is not an "employee" of those who elected him. And it is precisely here that the now endemic crisis in the relations between government and president is found. The events that have occurred over time are simply pretexts.

Both sides pushed things to an impasse. For this reason there will certainly be a visible or invisible continuation, since Mr A. Papandreou will never admit that the president of the republic is justified in coming into conflict with the government's selections, nor will Mr Khr. Sartzetakis admit that he has to countersign every document presented to him.

This impasse applies to both sides, because both sides hold some cards in their hands. The strongest card at the disposal of the president of the republic against Mr Papandreou is his resignation. His resignation will likely lead to early elections, since the present Parliament cannot elect a new president. And of course Mr Papandreou does not want early elections at this point.

For his part, the prime minister is in a strong position vis-a-vis the president of the republic for the very simple reason that Mr Sartzetakis neither has an autonomous political base at his disposal nor has made himself particularly attractive to the Greek people during his presidency.

Both the cards held by the prime minister and the president of the republic in their hands are strong. It is logical then for both sides to avoid a definite break. But even if they avoid it, it is almost certain that the "guerrilla war" between the two mansions on Irodis Attikos Street "will continue with undiminished tension. This tension, despite the logic of things, can certainly lead to a conflagration at some moment because of the peculiarities of both the situations and the personalities. Then the "break" will prove to be an explosion.

12570/12948
CSO: 3521/81

CHANGES STUDIED IN ATTIKI POLICE STRUCTURE

Athens I KATHIMERINI in Greek 11 Feb 87 p 2

/Text/ The presidential decree, according to which the services of the Attiki Police General Directorate (GADA) are completely revamped, has been drafted by the Ministry of Public Order and is being forwarded to the Council of State for finishing touches.

In comments made to journalists yesterday, Minister of Public Order And. Drosogiannis mentioned that this reorganization is deemed necessary because the existing system does anything but facilitate good police work. He added that according to the present setup 283 services come directly under GADA with the result that there is a great lack of effective controls. With the new reorganization, GADA will have control over nine police services and directorates, while the latter will have control over a similar number of subdirectorates. In turn, the latter will have control over police precincts.

Mr Drosogiannis also added that the reorganization decree provides for the creation of certain new services, specifically a national highways coordination control branch, a bomb disposal branch, a juvenile affairs branch and an anti-narcotics subdirectorate. The latter subdirectorate will be independent of anti-narcotics units that already exist in security branches. It is possible that its scope of operations might be extended outside of Attiki to other regions of the country particularly the islands where an increase in smuggling and drug use has been noted during summer months.

The national highways coordination control branch will be tasked with traffic control, policing, etc. Police pyrotechnician trainees will come under the bomb disposal branch. Finally, the juvenile affairs branch will be concerned only with crimes, etc. among minors. This branch will be set up in the Attiki Security Directorate and will have at its disposal lockups with the proper environment, mainly the proper human environment, for juveniles. Police who will staff this branch will be given special training to help them deal with juveniles who are arrested on various charges.

Finally, Mr Drosogiannis said that there is no increase foreseen in the number of GADA officers and men in the reorganization process. However, he did say that there may be an increase of 20-25 lower-rank officers to staff various services.

According to tables given out for publication by Mr Drosogiannis, the new reorganization plan is to be structured as follows:

Coming directly under GADA are four new police directorates to be established, namely Athens, Piraeus, East Attiki and West Attiki, as well as the Market Inspection Directorate, Traffic Directorate, Immediate Action Directorate, Police Operations (Mobile) Directorate and Security Directorate.

Seven police subdirectorates are established in the Athens Police Directorate. Three subdirectorates are established in the Piraeus Police Directorate. Six police subdirectorates are established in the East Attiki Police Directorate. Three police subdirectorates are established in the West Attiki Police Directorate.

Seven market inspection branches come under the Market Inspection Directorate. Coming under the Traffic Directorate are the outside operations unit, national highways coordination control branch, the 15 traffic branches, as well as the two TOTA /Road Accident Unit/ components of Athens.

Coming under the Security Directorate are the State Security Subdirectorates, Domestic Operations Subdirectorates, Public Safety Subdirectorates, Aliens Affairs Subdirectorates, Anti-Narcotics Subdirectorates, Athens State Airport Service, as well as the newly-constituted Athens, Piraeus, East Attiki, West Attiki and Glyfada subdirectorates. Coming under the newly-constituted security subdirectorates are the security branches currently existing in each police precinct, as well as the aliens' affairs branches. Coming under the Athens State Airport Service, also a new entity, are the Ellinikon Airport police precinct, as well as the newly-constituted traffic unit at the airport.

Coming under the jurisdiction of the police directorates being created will be the following Attiki police precincts:

I. Athens Police Directorate.

1. First Police Subdirectorates. Police Precincts: 1st, 2nd, 3rd.
2. Second Police Subdirectorates. Police Precincts: 4th, 6th, 15th, 25th.
3. Kypseli Police Subdirectorates. Police Precincts: 7th, 8th, 16th, 26th, 29th.
4. Pangrati Police Subdirectorates. Police Precincts: 10th, 19th, 21st, 23rd, 32nd, 37th.
5. Ambelokipoi Police Subdirectorates. Police Precincts: 5th, 14th, 24th, 27th, 30th, 31st.
6. Kallithea Police Subdirectorates. Police Precincts: 9th, 1st /as published/, 13th, 18th.
7. Palaio Faliro Police Subdirectorates. Police Precincts: 12th, 22nd, 34th, 35th, Agios Dimitrios Police Precinct, Ano Kalamakion Police Precinct.

II. Piraeus Police Directorate.

1. Piraeus Police Subdirectorates. Police Precincts: 1st, 2nd, 3rd, 4th, 7th, 8th, 12th, 15th, Tzitzifies Police Precinct (33rd).
2. Nikai Police Subdirectorates. Police Precincts: 5th, 6th, 9th, 10th, 11th, 13th, 14th, 16th, 17th, Perama Police Precinct.
3. Argosaronikos Police Subdirectorates. Police Precincts: Aigina, Salamina, Kythira, Poros, Spetses, Ydra.

III. East Attiki Police Directorate.

1. Agia Paraskevi Police Subdirectorates. Police Precincts: Agia Paraskevi, Papagou, Kholargos, Pallini, Rafina, Nea Makri, Marathon.
2. Koropion Police Subdirectorates. Police Precincts: Koropion, Spata, Markopoulon, Lavrion, Aretemis, Anavyssos.
3. Nea Ionia Police Subdirectorates. Police Precincts: Nea Ionia, Nea Khalkidon, Nea Filadelfia, Neapolis, Perisso, Kalogreza, Irakleio, Metamorfosis.
4. Kifisia Police Subdirectorates. Police Precincts: Kifisia, Amarousion, Nea Erythraia, Kapandritio, Oropos, Perka, Tatoi Guard.
5. Khalandri Police Subdirectorates. Police Precincts: Khalandri, Melissia, Pendeli, Psykhiko, Neo Psykhiko, Olympic Stadium, Filothei.
6. Glyfada Police Subdirectorates. Police Precincts: Glyfada, Ilioupolis, Argyroupolis, Ellinikon Airport, Terpsithea, Voula, Vari, Vouliagmeni.

IV. West Attiki Police Directorate.

1. Aigaleo Police Subdirectorates. Police Precincts: Aigaleo, Agios Spyridon, Agia Varvara, Agios Georgios, Nea Zoi, Khaidarion.
2. Agioi Anargyroi Police Subdirectorates. Police Precincts: Agioi Anargyroi, Akharnon, Anthoupolis, Petroupolis, Kamateron, Nea Liossia, Ano Liossia, Peristeri (17th), Nea Sepolia (36th).
3. Elefsina Police Subdirectorates. Police Precincts: Elefsina, Aspropyrgos, Mandra, Megara.

5671

CSO: 3521/78

POLITICAL

PORTUGAL

COMMENTS ON PCP REACTION TO GORBACHEV REFORMS

Hope for Change Expressed

Lisbon DIARIO DE NOTICIAS in Portuguese 13 Feb 87 p 9

[Commentary by Marcelo Curto]

[Excerpt] The Portuguese people are interested in learning what the PCP [Portuguese Communist Party] leadership thinks of the so-called "revolutionary" reforms which are to be effected in the Soviet Union, proposed by Gorbachev on 27 January and adopted by the CPSU Central Committee the following day.

--Not just what the PCP thinks, but if it will adopt the internal democratization of the CPSU and of the state institutions that Gorbachev suggested in his inaugural address.

The question is: How much coverage and emphasis will AVANTE give to these developments? What comments will they merit? Will the PCP Central Committee and/or its Political Commission take up the internal democratization, the criticism of present and past CPSU leaders and, possibly, apply these methods and criticisms in the PCP?

Or, on the other hand, as Marchais is doing in the PCF [French Communist Party], will Cunhal accuse possible PCP members who criticize his political line of being "liquidators"?

It is my opinion that no one will be convinced by possible PCP declarations in support of Gorbachev and his reforms unless they are put in practice by the PCP itself.

Nor will anyone believe possible declarations of independence and/or of independent or different problems in the CPSU and the PCP.

And why am I concerned, as so many others are concerned, about what happens in the PCP--which, as the PCP leaders will tell us once again, is a totally democratic party, but which, to our perhaps bourgeois way of thinking, still has a long way to go to arrive at the internal democracy which Gorbachev has suggested (sic) for the CPSU? Why are we concerned about what the PCP is really going to do?

It is because many of us on the democratic Left feel that the contradictions within the PCP--between its political leadership and Alvaro Cunhal, between what it says and what it does, between past statements and present reality--such obvious and glaring contradictions in the PCP are not easily overcome, given its present leadership and political practice.

In his address ending the full session of the CPSU Central Committee on 28 January, Gorbachev declared: "Democracy is as essential to us as the air we breathe. If we do not understand this, comrades, our policy will fail!"

There is no democracy within the CPSU, and this is what Gorbachev is talking about: [the right] to put up various slates and to vote for different candidates to the internal organs of the party. Does this democracy exist in the PCP?

At another point, Gorbachev insisted on the need to "recast" activity in all areas of Soviet society, of which democratization is only one aspect, and he declared that any indecision about this was unacceptable.

To "recast" means to change radically, to give new form to the CPSU and to the Soviet society, and, for this reason, a member of the CPSU Central Committee delegation in the United States considers that Gorbachev's proposals and the Central Committee resolution will have "truly revolutionary impact."

Where does this leave the PCP? How will it respond to such declarations? Will the PCP remain impassive in the face of that revolution?

We hope not. At long range, it is almost certain that [it must change]. But in deed and not just in word.

Change Inevitable

Lisbon EXPRESSO in Portuguese 7 Feb 87 p 3

[Commentary by Jose Antonio Saraiva]

[Text] Given the rapid changes that are occurring in the Soviet Union, one question naturally arises: Will or will not the Portuguese Communist Party approve of the political orientation of Mikhail Gorbachev?

It is certain that the PCP and its principal leaders have been giving careful thought to statements of support for the new Soviet leader.

But will they be sincere?

What, in his heart, will Alvaro Cunhal think?

Let us engage in some simple reasoning.

During Leonid Brezhnev's time, Cunhal and the PCP never had any criticism, no matter how innocuous, of the policy which the USSR was pursuing then.

On the contrary.

Apparently, there was always complete harmony.

On several occasions, Cunhal harshly attacked those, inside and outside Portugal, who dared speak of the need for reforms in the Soviet Union.

So what strong reasons would lead the PCP leader to change his mind?

What new circumstances would have led Alvaro Cunhal to think that changes which he considered unnecessary (or even contra-indicated) yesterday are needed today?

None.

And, as we all know, the secretary general of the Communist Party is not one to change his mind every day.

Hence, we are led to assume that the PCP has only reluctantly accepted the orientation imposed by Gorbachev.

But there are other factors pointing to this.

--If we consider that Cunhal, like most of the party's highest leaders, was trained in the middle of the Stalinist era;

--If we consider that the policy practiced by the PCP has changed very little in the last 40 years;

--If we consider that the party continues to manifest the same hardness, rigidity and inflexibility as in the period when Alvaro Cunhal rose to the Central Committee;

It is not hard to admit that the Communist Party today is having difficulty adapting to the new rhetoric from Moscow.

This leads, then, to the following question: Why is the PCP secretary general committed to supporting the orientation imposed by Mikhail Gorbachev?

Why doesn't he take a stand regarding the disagreements?

Why isn't he at least remaining silent?

The answer here is also simple.

Cunhal is not doing this because the PCP is a small party in a small country and is not in a position to survive alone.

To have any strength, it must be supported by the immense strength that radiates from the Communist Party of the second most powerful country in the world.

Left to itself, the PCP would find it difficult to go on.

Isolated abroad, detached from the bloc with which it has always maintained close relations, it would embroil itself in endless ideological debates--and would probably suffer the same fate as the Spanish party.

This is why the PCP leaders have imposed a discipline on themselves: that of always going along with the line imposed by the power in the USSR.

This is not a caprice--it is the price of cohesion and of survival.

6362

CS0: 3542/55

POLL SHOWS RELATIVE IGNORANCE OF MELILLA CRISIS

Madrid EL PAIS in Spanish 8 Feb 87 p 15

[Text] Madrid--According to the results of an opinion poll taken by the Demoscopia Institute for EL PAIS, two out of every three Spaniards are unable to express a clearcut opinion regarding the incidents in Melilla. The poll indicates a rather low level of information and, in any event, less than the public usually has on definitely national political issues. Only 27 percent of those polled consider themselves totally informed about what is occurring in Melilla.

Prominent in the poll is fear that the situation might worsen in an unpredictable manner (46 percent think so); and it also reflects a bipolarization of the citizenry concerning the government's handling of the conflict. About a third don't know or have no answer; and another third describes the government's action as "fair."

Technical Record

Taken by the Demoscopia Institute under the direction of sociologists Rafael Lopez Pintor and Jose Juan Toharia, among a national sample of 800 persons over age 18, of both sexes, in municipalities with more than 2,000 inhabitants (they contain 92 percent of the Spanish population). The interviews were held on 5 and 6 February.

(1) **¿ESTÁ USTED ENTERADO DE LOS CONFLICTOS QUE ÚLTIMAMENTE TIENEN LUGAR EN MELILLA? (*)**

	(2) Total	(3) Conjunto	(4) Resto
	nacional	de	de mu-
	Madrid	capitales	nicipios
Sí, totalmente (5)	27	26	28
Sí, parcialmente (he oído algo, etcétera) (6)	58	63	53
No (7)	9	7	11
NS / NC (7)	6	4	8
Total (N=800)	100	100	100

* Cantidades expresadas en porcentajes.

(8)

(9) **¿CÓMO CREE USTED QUE ESTÁ ACTUANDO EL GOBIERNO EN ESTA CUESTIÓN? (*)**

	(2) Total	(3) Conjunto	(4) Resto
	nacional	de	de mu-
	Madrid	capitales	nicipios
Muy bien (10)	1	1	1
Bien (11)	12	10	14
Regular (12)	35	40	30
Mal (13)	18	19	16
Muy mal (14)	5	5	6
NS / NC (7)	29	25	33
Total (N=800)	100	100	100

* Cantidades expresadas en porcentajes.

(8)

(15) **EN SU OPINIÓN, EL ACTUAL CONFLICTO EN MELILLA ES (*)**

	(2) Total	(3) Conjunto	(4) Resto
	nacional	de	de mu-
	Madrid	capitales	nicipios
Algo transitorio, sin mayor importancia (16)	7	5	9
Un conflicto de cierta importancia, pero no grave (17)	28	30	26
Un conflicto grave, que puede ir a más (18)	46	49	42
NS / NC (7)	19	16	23
Total (N=800)	100	100	100

* Cantidades expresadas en porcentajes.

(8)

Key to Chart:

1. Are you informed about the conflicts that have recently occurred in Melilla?
2. National total
3. Capitals as a whole
4. Rest of municipalities
5. Yes, totally
6. Yes, partially (I have heard something, etc.)
7. Don't know/no answer
8. Numbers given in percentages
9. How do you think the government is acting in this matter?
10. Very well
11. Well
12. Fairly
13. Badly
14. Very badly
15. In your opinion, the current conflict in Melilla is
16. Something temporary, without much importance
17. A conflict of some importance, but not serious
18. A serious conflict that could go further

2909

CS0: 3548/48

PRESTIGE OF NATIONAL INSTITUTIONS DROPS IN 1986

Madrid EPOCA in Spanish 2 Feb 87 pp 48-50

[Text] Spaniards are viewing politics more pessimistically than they did a year ago, and this attitude is more marked regarding hopes that the state will solve the problems of their lives.

This is the conclusion drawn from the second poll on the prestige of institutions taken by the Gallup Institute exclusively for our magazine.

This political pessimism was already obvious in the first poll (published by EPOCA in December 1985). It was reflected in the high rate of abstention from the referendum on NATO (40 percent) and from the general elections of June 1986 themselves (30 percent); whereas, during 1982, only 20 percent of the population included in the census failed to vote.

Now then, the process is continuing. According to our poll, taken during the final days of 1986, virtually all of the 19 leading institutions in the country have undergone a setback in the assessment given them by the citizens. Only the Congress of Deputies, the autonomous governments, the trade union confederations, and the monarchy, in that order, have small increments or maintain their positions; even though they may be in a position as low as that of the trade unions.

The State No Longer Convinces

The major declines generally occur in state institutions and services. Social security, the universities, and the administration of justice hold the lead in this respect. Only 16 percent of those polled consider the social security service "good" (31 percent in 1985), while 39 percent do not hesitate to describe it as "bad" (21 percent in 1985).

As for the courts of justice and the universities, the citizens who deemed their services "good" have declined from 38 to 23 percent, and from 39 to 19 percent, respectively; while the "bad" ratings have risen from 13 to 20 percent and from 11 to 19 percent.

The banks and television are almost equal with respect to the deterioration that they show in the public's estimation. In the case of TV, only the highly positive opinion in Barcelona (a city in which the autonomous tele-casting station, TV 3, has a large audience) prevents the setback from being worse.

Apart from the acceptance that they receive, there are also major losses of prestige for the radio broadcasting stations, the press, the Catholic Church, the security forces, the Army, the central government, the business owners' organizations, and the political parties. The latter continue to rank last on the scale of popular esteem. Only 12 percent of those polled claim to have a "good" opinion of them.

Communist Radicalism

The distribution of the data procured makes it possible to observe, as a main conclusion, a more marked disenchantment among the youth, even insofar as institutions with general prestige are concerned. For example, 25 percent of those polled between 15 and 17 years of age expressed a "bad" opinion of the monarchy.

The analysis based on habitat indicates the greater conformity among the residents of small towns. Among the large cities, the acceptance that the autonomous government receives from Barcelona residents stands out. In that city, 40 percent of those polled had a positive opinion, compared with only 3 percent negative responses (32 percent replied "fair," and the rest made no statement). These percentages are far kinder than the national average (26 percent favorable and 19 percent opposed).

More interesting is the distribution of responses based on the party voted for in the last general elections. There are two prominent results: the far more satisfied view than average among PSOE voters, and the hard radicalism among those who said that they had voted for parties located left of the Socialist Party, the vast majority being Communists. The dissatisfaction among these citizens of the extreme left far exceeds that of the right wing voters.

For example, in the case of social security alone, more than half of the right wing voters consider the institution "bad," and their percentage of dissatisfaction (56 percent) is not very far removed from that of PSOE voters (37 percent).

In the case of the Communists, on the other hand, no fewer than nine institutions receive the description "bad," with a percentage exceeding 50 percent. The list of phobias among the left is as follows: the Army (68 percent claim to have a "bad" opinion), the Catholic Church (63 percent), television (63 percent), social security (61 percent), the banks (58 percent), the security forces (57 percent), the business owners' organizations (55 percent), the courts of justice (54 percent), and the central government (53 percent).

The voters from nationalist parties also appear markedly more radical than those of the right. Their downgrading is aimed at the central government (54 percent) and the Army (51 percent).

The picture as a whole reflected by the poll is one of a discouraged, pessimistic country with very limited confidence in what the state can do to improve the citizens' circumstances.

This pessimism was perceptible a year ago, and it has worsened 12 months later. The fact that, with this state of affairs, the party in power has won the elections again by an absolute majority is a phenomenon that fits into that collective loss of political illusions. Not only is there discouragement about what is happening, but also, and most particularly, with respect to hopes of changes for the better: as if Spain had been trapped in a tunnel.

Technical Record

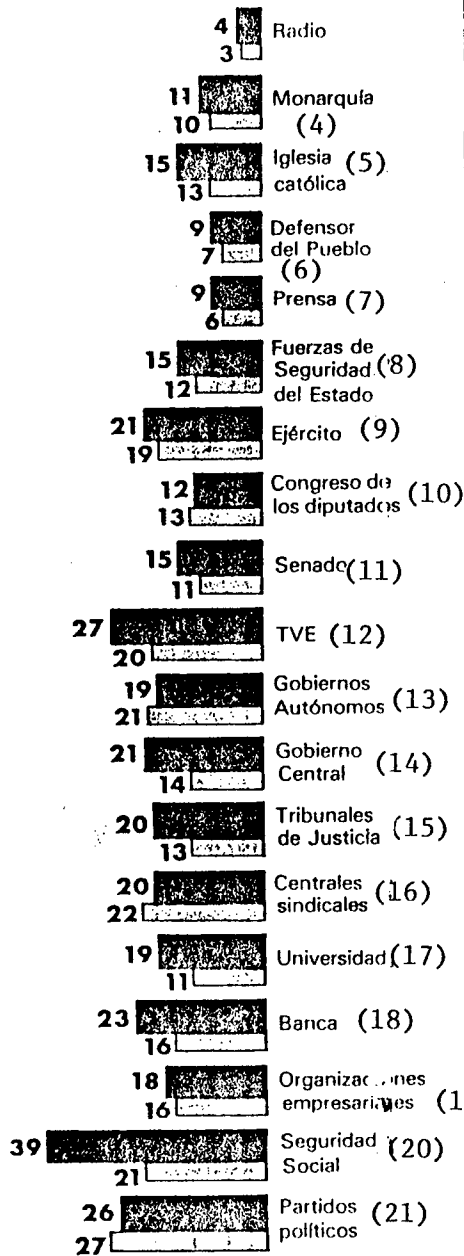
Environment: peninsula and Balearic Islands; universe: Spanish population aged 15 years and older; theoretical sample: 1,000 interviews; stratification: 104 sampling points distributed at random, after sample stratification by regions and habitat; selection: aleatory, random route for selection of the household, and Kish for selection of the person interviewed; location of the interview: in the home of the person interviewed; field work: 19-27 December; margin of error: ± 3.2 percent, for a confidence level of 95.4 percent; institution responsible for the research: Gallup Institute, Inc, member of the Gallup International Organization.

Key to Chart 1:

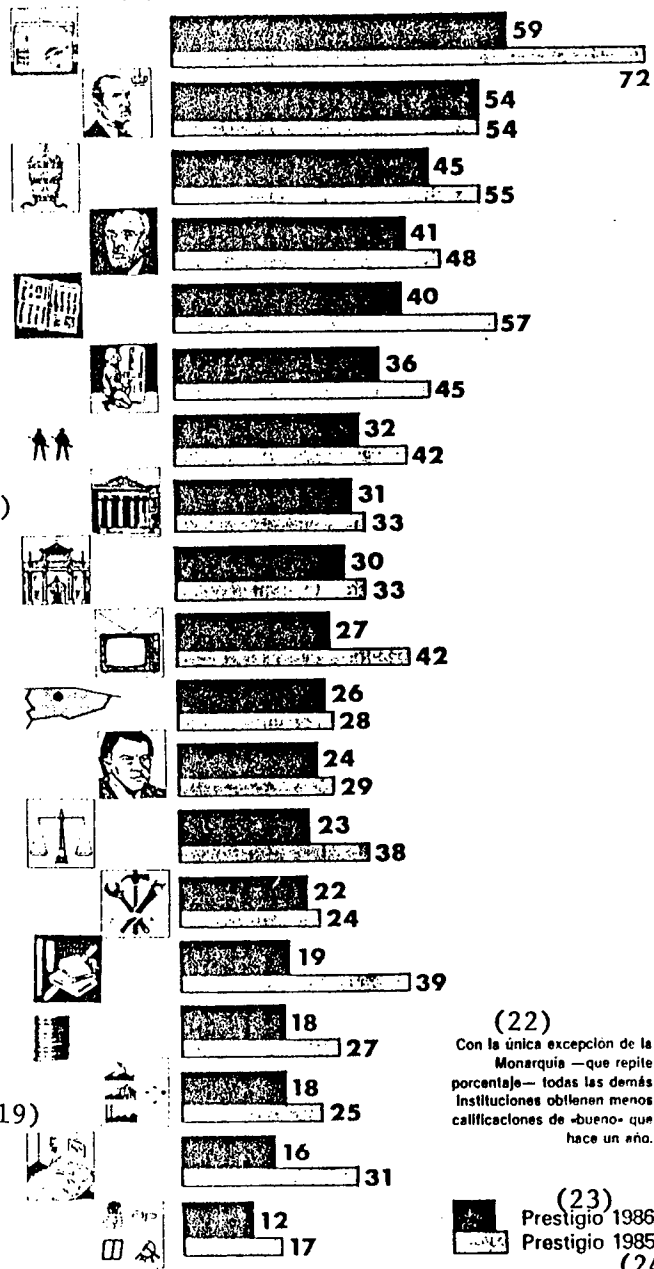
- | | |
|---------------------------------------|------------------------------------|
| 1. Prestige of the Institutions, 1986 | 22. With the sole exception of the |
| 2. % of bad opinions | monarchy (which repeats its |
| 3. % of good opinions | percentage), all the other insti- |
| 4. Monarchy | tutions receive fewer "good" |
| 5. Catholic Church | ratings than they did a year ago. |
| 6. People's defender | 23. Prestige 1986 |
| 7. Press | 24. Prestige 1985 |
| 8. State security forces | |
| 9. Army | |
| 10. Congress of Deputies | |
| 11. Senate | |
| 12. Spanish Television | |
| 13. Autonomous governments | |
| 14. Central government | |
| 15. Courts of justice | |
| 16. Trade union confederations | |
| 17. Universities | |
| 18. Banks | |
| 19. Business owners' organizations | |
| 20. Social security | |
| 21. Political parties | |

(1) PRESTIGIO DE LAS INSTITUCIONES 1986

(2) % de malas opiniones

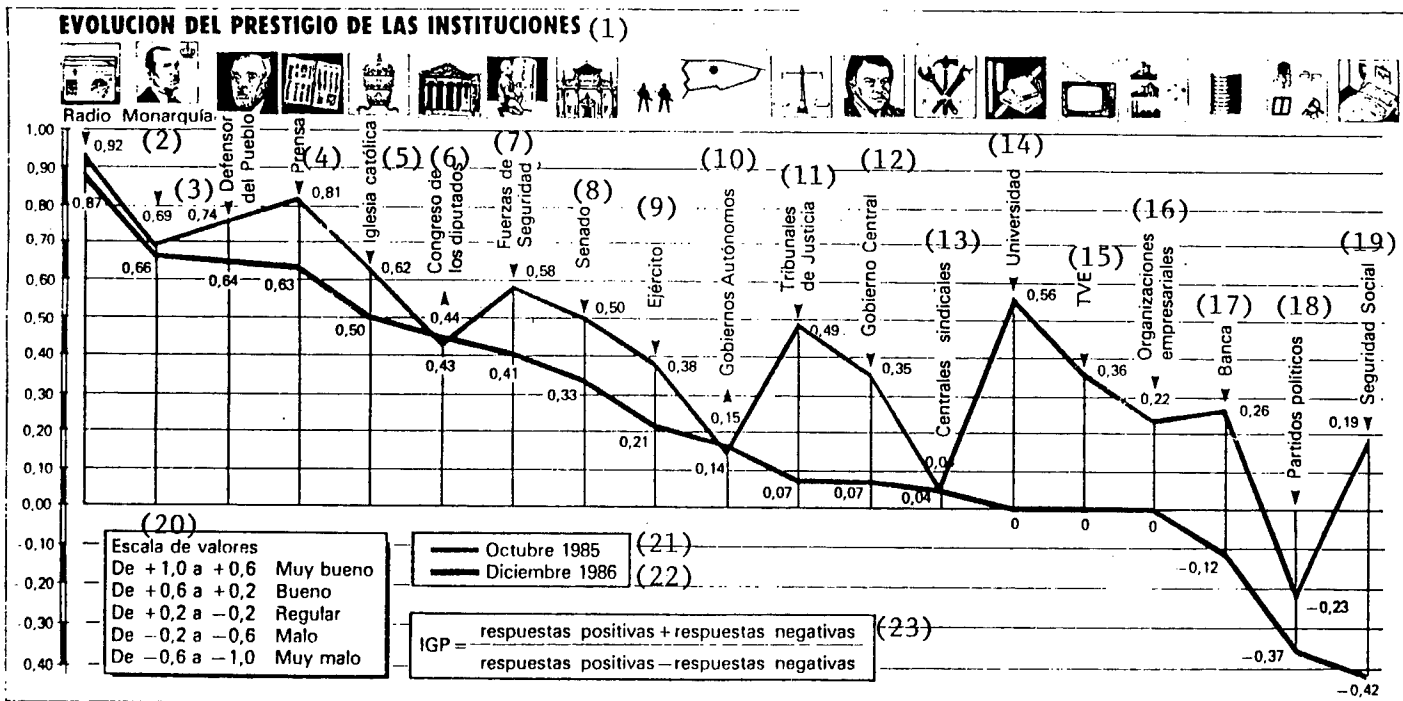


(3) % de buenas opiniones



(22)
Con la única excepción de la Monarquía —que repite porcentaje— todas las demás instituciones obtienen menos calificaciones de «bueno» que hace un año.

(23)
Prestigio 1986
Prestigio 1985
(24)



Este gráfico comparativo revela la pérdida de posiciones en la confianza ciudadana. El Índice Gallup de Positividad (IGP) permite apreciar el desprestigio de partidos políticos y Seguridad Social. (24)

Key to Chart 2:

1. Changes in the Prestige of the Institutions
2. Monarch
3. People's defender
4. Press
5. Catholic Church
6. Congress of Deputies
7. Security forces
8. Senate
9. Army
10. Autonomous governments
11. Courts of justice
12. Central government
13. Trade union confederations
14. Universities
15. Spanish Television
16. Business owners' organizations
17. Banks
18. Political parties
19. Social security
20. Scale of values: +1.0 to +0.6 = very good; +0.6 to +0.2 = good; +0.2 to -0.2 = fair; -0.2 to -0.6 = bad; -0.6 to -1.0 = very bad

- 21. October 1985
- 22. December 1986
- 23. $GPI = \frac{\text{positive responses} + \text{negative responses}}{\text{positive responses} - \text{negative responses}}$
- 24. This comparative graph reveals the loss of positions in the citizens' confidence. The Gallup Positivity Index (GPI) makes it possible to assess the loss of prestige among political parties and social security.

2909

CSO: 3548/48

POLL FOR FIRST TIME SEPARATES OUT ENVIRONMENT PARTY SUPPORT

Three Percent Back Environmentalists

Stockholm DAGENS NYHETER in Swedish 2 Feb 87 p 16

[Text] "Three percent of the voters is a very good figure for us," Environment Party spokesman Birger Schlaug said after the Swedish Institute for Public Opinion Polls [SIFO] survey of party sympathies was published on Sunday.

For the first time SIFO has reported Environment Party figures separately. The party has risen from around 1 percent to 3 percent.

The balance between the political blocs is deadlocked, with each side having the support of 48.4 percent of the voters.

This is how voters would have cast their ballots in January, according to SIFO:

Conservative Party, 20.2 (+0.2); Liberal Party, 17.7 (-0.3); Center Party, 10.5 (+1.5); Social Democrats, 44.9 (-1.6), Left-Communist Party [VPK], 3.5 (-1.0) and the Environment Party, 3.0 percent.

"Because SIFO did not report our support in the past, people have felt that to a large extent the Environment Party did not exist," Birger Schlaug told the TT news agency.

Means a Lot

"SIFO actually means a great deal in terms of whether people will dare to vote for us, whether voters will regard voting for us as throwing away their vote," Birger Schlaug told TT.

In the surveys of voter sympathies conducted by SIFO's competitor, the Institute for Market Research [IMU], the Environment Party has received 4-4.5 percent of the votes. In its surveys IMU makes home visits and hands the voters the ballots of the respective parties, while SIFO interviews some of the voters over the telephone and makes home visits to the rest.

"Telephone interviews can never be the same as home visits with ballots. Therefore I think our 3 percent is a very good figure. It shows that the IMU figures are quite accurate," said Birger Schlaug.

Young Voters

He noted that the Environment Party is winning over more supporters and that the new sympathizers come from the big cities and are generally young voters. The party recently started a youth group, Green Youth.

Birger Schlaug is convinced that those who switch parties to vote for the Environment Party come from all the political parties.

"We have abandoned the line of simply talking about environmental issues. One of the things we are presenting before the next election is the idea of tax-free zones, which means that the first 30,000 kronor of earned income would be entirely tax-free and paid for by energy taxes and taxes on raw materials. Another strong profile issue concerns eliminating wage-earner funds and introducing community funds."

Thus the Environment Party does not want to be classified in the traditional color blocs.

"We operate in a gray zone and support proposals that can further our policies," said Birger Schlaug.

Paper Analyzes Poll

Stockholm DAGENS NYHETER in Swedish 2 Feb 87 p 2

[Editorial: "SIFO Shows Public Opinion Unchanged"]

[Text] The nonsocialist parties are as strong as the Social Democrats and VPK in the voter barometer from SIFO that was published on Sunday. A small gain for the Center Party and a corresponding decline for the Social Democrats both lie within the margin of error. Although the period of the survey, 14-27 January, was preceded by important political events, the voters do not seem to have changed their party sympathies.

With respect to the government's proposed budget, this is not surprising; the budget is a carefully weighed combination of reforms, tax increases and savings cuts. Social Democratic voters who were disappointed that their party did not stand behind previous positions, for example in the area of school policy, are unlikely to switch immediately to any nonsocialist party--although some may have doubts about voting at all in the next election.

It is of greater interest that the conflict over the defense compromise did not affect the voter barometer. The Liberal Party, which undoubtedly took a political risk by reaching an agreement with the Social Democrats on its own, seems to have ridden out the storm. So far the Conservatives have not won

over any Liberal sympathizers as a result of the attacks on Bengt Westerberg's alleged treachery to the joint nonsocialist cause.

The stable balance of strength among the nonsocialist parties shows that the Liberal Party has much more room in which to operate than it had before the 1985 election; this despite the fact that quite a few of the party's newest supporters belong to the group that could be characterized as shifting non-socialist voters. The tactical apprehensions expressed in segments of the Liberal press after the defense compromise was reached have not amounted to anything--the parallel with the 1981 tax compromise has not been borne out.

One of the reasons is undoubtedly that most nonsocialist voters do not regard defense as an ideological question, which is not the case when it comes to tax issues. For natural reasons the voters are also considerably less knowledgeable about defense policy, whereas when it comes to marginal taxes they can figure out almost to the krona what effect changes in the tax tables will have on their own taxes. Therefore it is even more important that Bengt Westerberg is now the party leader in whom nonsocialist voters have the greatest confidence--in the early 1980's this role was filled by Gosta Bohman.

A new element in the SIFO poll is that in January the Environment Party, the Greens, received the same treatment as the other parties, so that respondents are now offered that party's ballot along with those of the Riksdag parties. This arrangement, which is in line with the long-established practice in IMU surveys, had the immediate result of giving the Environment Party a rating of 3.0 percent. This ought to increase SIFO's accuracy, although it remains a methodological peculiarity that the institute combines home visits and telephone interviews in the same survey.

Dare we hope that the form of the interviews will also change after Hans Zetterberg became editor in chief of SVENSKA DAGBLADET and thus changed roles from producer to consumer? After all he knows from his SIFO experience how voter surveys should be conducted.

6578

CSO: 3650/59

OLOF JOHANSSON VIEWS CENTER PARTY PROSPECTS

Stockholm DAGENS NYHETER in Swedish 1 Feb 87 p 15

[Article by Kerstin Sedvallson: "Optimistic Olof Johansson: Center's Numbers Steadily Rising"]

[Text] He had not met so many happy members of the Center Party for a long time. They had all had a difficult time during Karin's illness. For once they were now starting on a consolidating policy.

Olof Johansson, the newly nominated leader of the Center Party after Karin Soder, was seen and heard to be content when he participated in the Center's community day in Goteborg last Saturday, where he got to meet party members from all parts of the country who are now more positive in their thinking.

He had urged them to remember how important the public sector and its leaders are. Is he then critical of the union movement which he thought should be more open?

No, he had had experience with the unions when he was personnel minister, but he took the opportunity to tell off the chairman of the Swedish Federation of Trade Unions (LO) Stig Malm for his critical statement about bureaucrats during the LO conference last fall.

"I don't understand how union representatives can talk like that. There is a difference between bureaucracy and bureaucrats," Olof Johansson pointed out.

A Hardy Type

Then he said that he was a hardy type, who really did not believe that the job of party leader, to which he will be elected on February 21, would be a bed of roses. But he felt that the mood and the response to the Center policy were promising.

What does this policy look like? The retired people are now supporting the Center party because the party, in its turn, wants to support those with low retirement incomes. And the young people are attracted to the Center Party because the party supports them, their schools and their social benefits.

Does the Center Party find its future voters among pensioners and school kids?

"No, that is not the way we reason. We must address our requirements to people. We also raise concrete questions that concern families with children," said Olof Johansson.

Steady Rise

It was not a true picture, according to Olof Johansson, that the Center Party had lost voters in Stockholm and even had to leave the City Hall in 1985. The decline was slower in Stockholm and the Center Party slid under the limit. But the situation is different now, the Center Party is steadily rising.

"Extracts from statistics collected by the Swedish Central Bureau of Statistics bears this out."

What will the Center Party do with its partner, the Christian Democratic Union, in the future. Will they continue to share the ups and downs?

"We will know in a week. By then the Center Party will have completed a study and will then decide whether the "marriage is to continue."

The Center Party's community day in Goteborg, which dealt with the role of the communities and their self-determination, probably illustrated what the Center Party means by its decentralizing policy, according to Olof Johansson.

That is why he was critical of Stig Malm's suggestion for uniform local taxes, as well as of the Moderates tax ceiling--suggestions which he considers limiting for the municipal democracy.

Teacher Salaries

The Center Party has quite recently delivered a hastily put together proposal about taxation proportionate to the community's service abilities, and a redistributing of the tax equalization allowances, so that communities with low incomes will get more.

In its parliamentary proposal, however, the Center did not change by one cent the state allowance of 20 billion kronor for teacher salaries.

"The quality must be preserved and we have to reduce the size of the classes even if the number of children is now decreasing. It will increase again later," said Olof Johansson.

On a final note, this wet Saturday in Goteborg, Olof Johansson promised that even though he may not represent the renewal of the Center Party, at least he will not stand in its way.

12339
CSO:3650/58

COMMUNIST PARTY 'SOVIET EXPERT' APPROVES REFORM IN USSR

Stockholm DAGENS NYHETER in Swedish 1 Feb 87 p 15

[Article by Ake Ekdahl: "Communist Party Expert Gives Good Marks to Gorbachev. Promising Election Reform"]

[Text] The Soviet Party Leader Gorbachev has started a process that is self-perpetuating. The decision on secret ballots with candidates opposing each other is of fundamental significance. The next step in the liberalizing of the Soviet Union will be increased elbow room for alternative movements and dissidents.

So says Bertil Mabrink, the Soviet expert of the Left-Wing Communist Party (VPK) and one of the last members of Moscow's party school, a Russian-speaking member of the foreign affairs committee and group leader for the Communists in the parliament.

He says that the new thinking in Moscow could continue successfully without great risks for set-backs. The guarantee for this is a long dammed-up need for change among a majority of the population.

"This process is significant for all socialist powers in the world and deserves all our support, " says Mabrink.

Since VPK pays for Soviet violations of democracy and peoples' rights by losses in the constituency, a milder political climate in Moscow means advantages in public opinion for VPK among the Swedish voters.

Bertil Mabrink does dare to call what is now happening in the Soviet Union a "Moscow spring." He says that it reminds one of the "Prague spring" in 1968, which failed because the time was not yet ripe for a democratization in Moscow. The changes are now coming from the leading socialist nation instead and they will create a following in the border states.

"The process is already under way."

Bertil Mabrink has discussed this development with both political leaders and people in the street in both Moscow and Stockholm. His impression is that a strong popular opinion will force the pace of what he calls the democratization process. As yet he does not dare to hope for a multi-party system and the kind of constitution that we in the West would call democratic.

"But don't forget," he says, "that what is happening now is something very revolutionary in the Soviet system. It means that non-members of the Party will be able to compete for higher positions in public administration on equal conditions with Party members. Knowledge and not Party membership will become the deciding factor."

Mabrink feels that this will act as a driving force in the liberalizing process.

Passiveness

"The Soviet system has held back creative people and has made them passive. The whole economy has stagnated. Disregarding some reactionaries, who see the scope of their authority lessened, there is now nothing that can prevent the end of this 'horrible situation in the Soviet Union,'" says Mabrink.

He says that he is referring to a system where nepotism, bribes, corruption, cheating on five-year plans and an ineffective bureaucracy have hindered progress.

"It has not been difficult for the United States to make use of this unsatisfactory state of affairs in its propaganda against the Soviet Union.

"It might be of interest that the American radio stations, which currently broadcast to the Soviet Union, have cut their staffs in half as a result of the fact that a considerable amount of their normal reporting is now made public more quickly by Soviet radio stations."

Dissidents

Even if the decision about secret ballots among several candidates, increased openness of information and freedom of criticism against business leaders, for instance, is a large step forward, the natural consequence, according to Mabrink, will be increased activity on the part of the alternative movements, primarily the environmental movement, and the dissident organizations.

"That is why I can say at this time that what is happening in the Soviet Union is not just cosmetics, it means an actual change," he says.

12339

CSO:3650/58

REPORTED U.S. RELUCTANCE TO INVEST

Athens I KATHIMERINI in Greek 17 Feb 87 p 1

/Article by D. Dimas/

/Text/ Washington (special correspondence)--Financial circles in Washington and New York received with great scepticism the portrait about a "turnabout" in Mr A. Papandreou's general economic and foreign policy as promoted by the government propaganda machine abroad. Being promoted as examples of Papandreou moderation are the recent government reshuffle and Mr Papandreou's invitation to international investors, meeting in Davos, Switzerland, to invest in Greece. Both of these factors are being met with the same amount of mistrust.

Even though the profit-making aims of big American companies should not be underrated, these same circles express serious doubt about to what extent there will be agreement in the long run on these "overtures." The doubts expressed stem from the fact that the credibility of the Greek Government and of Mr Papandreou personally has suffered "irreparable damage" because of his past proclamations, proclamations which in many cases were accompanied by a similar stance as, for example, on the terrorism issue which was contrary to that of the other allies.

Moreover, according to representatives of the all-powerful American "organization for the analysis of political dangers," there are certain notions that are ingrained in the minds of American investors with regard to Greece and that are difficult to change.

Prof N. Stavros, a member of this organization and who echoes its views, maintains that, in essence, three factors influence the thinking of American investors. First of all, the widespread conviction among investors that the Greek Government is given to expropriating foreign properties; secondly, the equally strong belief that the Greek Government is unwilling to or is incapable of reducing political turmoil; and thirdly, the belief that political instability is unavoidable with or without Mr Papandreou in his party's leadership.

5671

CSO: 3521/85

1986 BALANCE OF PAYMENTS SHOWS SLIGHT IMPROVEMENT

Athens I KATHIMERINI in Greek 18 Feb 87 p 9

[Text] The 1986 balance of payments deficit was finally confined to 1,756 million dollars. It was reduced, that is, by 46.4 percent compared to 1985 when the deficit reached 3,275.7 million dollars.

National Economy Minister K. Simitis pointed out that the government aimed at a deficit of 1,700 million dollars, a target almost achieved. He pointed out, however, that this result does not allow for relaxation. The balance of payments deficit is at a level higher than the Greek economy allows. More analytically, the balance of payments showed the following developments during the past 3 years [in million dollars]:

TABLE

	1984	1985	1986
Imports	9,744.8	10,561.1	10,094.0
Exports	<u>4,394.0</u>	<u>4,293.2</u>	<u>4,503.0</u>
Trade Balance	-5,350.8	-6,267.9	-5,591.0
Invisible Resources	5,288.7	5,260.5	6,432.0
Invisible Payments	<u>2,068.0</u>	<u>2,268.3</u>	<u>2,597.0</u>
Balance of Invisibles	3,220.7	2,992.2	3,835.0
Balance of Payments	-2,130.1	-3,275.7	-1,756.0

National Economy Minister Simitis made the following announcement: The publication today of the balance of payments for December completes the picture of the 1986 developments. The balance of payments deficit was 1,756 million dollars compared to 3,276 million in 1985 or it was reduced by 46.4 percent compared to 1985.

The government aimed at a deficit of 1,700 million dollars. Therefore, it nearly approached its target. The results of the effort are more meaningful if the balance's data are estimated in European Currency Units because the picture cannot be distorted by the dollar's devaluation. The deficit was reduced by 58 percent and our imports, excluding fuels, dropped by 12.2 percent.

This result is a giant step toward the success of the stabilization program. It is an important achievement of the Greek economy and everyone, especially the workers, employees and farmers, contributed to its realization. The sacrifices the economy's stabilization demands not only did not prove to be useless as some claimed but on the contrary brought about exactly the desired positive development.

Some attribute the improvement in the balance of current accounts totally to factors such as the drop in oil prices. However, this is not correct. The drop affected developments in a positive way, but the main factor was the combined measures of the stabilization program which, among other things, improved the competitiveness of Greek products and restricted the demand for imports.

Those who do not want to recognize this fact belittle the Greek people's contribution to this achievement and do not contribute to the continuation of the effort which serves their long-term interests. Positive progress of the stabilization program during its first year of implementation affords no relaxation.

The balance of payments deficit is at a higher level than the Greek economy allows. It is always the main restrictive factor for accelerated development of the Greek economy. Its further reduction is, therefore, indispensable according to the targets of the 1987 stabilization program. It is necessary to enforce the program responsibility in order to be able to speed up the developmental process.

The balance of payments deficit expressed as a percentage of the Gross Domestic Product [AEP] was 10.1 percent in 1985 and dropped to 4.6 percent in 1986 or it improved by 5.4 percentage points. This improvement reflects the fact that the net effect of the appreciable exogenous factors does not exceed 2.5 points. The other 2.9 points are due to the stabilization program.

This result is absolutely consistent with the program's targets. (It is noted that at the time the stabilization program was being charted it was estimated that, on the basis of data of the first 7-month 1985 period, the deficit would reach 8 percent of the AEP for the whole year (1985) and that the target set for 1986 represented--considering the then existing drachma/dollar parity--5.1 percent of the AEP. In other words, an improvement of 2.9 percent was programmed.)

For estimating the net effect of the exogenous factors, both the favorable factors, among which was the drop in oil prices, and the unfavorable ones, were taken into consideration. Among the latter the most important were: shrinkage of the foreign exchange reserves held by the oil-producing countries which brought about a reduction of our exports to these countries; the events in Libya which led to a drastic drop in American tourism; and the Chernoybl accident as a result of which our imports of foodstuffs increased and exports of our wheat were wiped out.

When the results of the balance of payments are expressed as percentages of the AEP the comparability problems created by the large dollar devaluation between 1985 and 1986 are bypassed. Particularly acute are the comparability problems concerning exports and imports (excluding fuels) which literally reverse the true picture.

TABLE

Trade Balance Excluding Fuels in 1985 - Dollars
(In Million Dollars)

	1985	1986	% Change
Imports	7,373	6,460	-12.4
Exports	<u>3,459</u>	<u>3,105</u>	<u>-10.2</u>
Trade Balance	-3,914	-3,355	-14.3

In the above table the 1986 data are given in constant parity dollars, in 1985 dollars in fact, thus making them comparable with the 1985 data. (Based on 1985 = 100, the average dollar parity index compared to other currencies except the drachma is calculated on the basis of Greek trade. In 1986, it was 76.98 for imports and 77.76 for exports.)

Payments for imports dropped in constant parity dollars by 12.4 percent, a figure considered satisfactory. Income from exports dropped by 10.2 percent. An appreciable lag was expected because much time is needed for the increase in the size of exports to offset the drop in the price of our products in foreign currencies. This drop was the result of the October 1985 devaluation--a phenomenon which is internationally known as the "J Curve."

7520

CSO: 3521/84

INDUSTRIAL PRODUCTION RISES

Athens I KATHIMERINI in Greek 14 Feb 87 p 7

[Text] The general index of mine and industrial production and of output of electricity and natural gas for urban consumption showed an increase of 1.2 percent in November 1986 as compared with November 1985.

More specifically, according to data from the National Statistics Service, the index of mine production shows a drop of 1.6 percent, the index of industrial production an increase of 1.4 percent, and the index of output of electricity and natural gas for urban consumption an increase of 2.4 percent.

In addition, the changes in the averages of the above indices for the 11 months from January to November 1986 as compared with the same period in 1985 are as follows:

1. The General Index of Mine and Industrial Production and of Output of Electricity and Natural Gas for Urban Consumption shows an increase of 0.9 percent.
2. The Index of Mine Production shows an increase of 1.8 percent.
3. The Index of Industrial Production shows an increase of 0.3 percent.
4. The Index of Electricity and Natural Gas for Urban Consumption shows an increase of 1.0 percent.

12570/12948

CSO: 3521/81

PAPANDREOU'S ECONOMIC POLICY SEEN HAVING NEFARIOUS CONSEQUENCES

Athens I KATHIMERINI in Greek 5 Feb 87 p 5

[Text] The economic policy the Papandreou government applied since the end of 1985 is dictated by an evident premise which has no relation whatsoever to the interests of the national economy. This premise is Papandreou's conviction that he will not again be premier after the next parliamentary elections. The government's economic policy was completely different and immeasurably expansionist at the time when inter-relations among political parties and tendencies of the electorate pointed to a further governing of the country by the "socialist Movement."

Accepting the prospect of his government's termination, Papandreou is not only unconcerned about the economic situation his successors will inherit but he deliberately creates situations which will cause additional obstacles to the planning and implementation of a policy for recovery and development. It is only hoped that lending sources such as EEC will still be in existence.

It is hoped that the government of "change" will not by then be deep in debt and place the country in a situation of bankruptcy for being unable to meet its foreign debt service obligations. The PASOK government has characterized its economic policy as "stabilizing" and under this pseudo-characterization it seeks supporters among the working people and forces of the opposition.

Beyond any other measure of the policy presently in force, the monetary credit program National Economy Minister Simitis announced 2 days ago--it concerns the amounts and manner of their distribution to the various sectors of the economy in the current 12-month period so they may carry out their "wealth-producing" or "social" activities--demonstrates the expediencies which it serves and which guides this policy.

First. The amount of credits for manufacturing, that is, for the economy's truly productive sector, is reduced still further compared to 1986 and 1985. Such an amount will represent 24.6 percent of the total credits compared to 28 and 29.2 percent in 1986 and 1985, respectively.

Second. Credits earmarked for the public sector, or 75.4 percent, concern mostly consumer and only slightly productive expenditures. Financing of the immense public deficit does not represent productive but consumer expenditures.

Third. Therefore, the country's economic activity is deliberately cut back and it is self evident that such action does not have the slightest positive relation with any "stabilization program."

Fourth. The negative effect of the "stabilization" program on the economy is confirmed by the fact that last year--the first year of its implementation--domestic industrial production dropped as did also exports of Greek products.

Fifth. The decline in the national productive performance sustains rather than combats inflation since it continuously diminishes the sound income from which the operation of the economy is refinanced (monetary-credit program). The largest part of this year's "new" credits from available bank assets comes from interest on deposits and from new deposits.

But interest from earlier deposits includes inflationary money. The nationalized banks show fictitious incomes--fictitious, that is, interest from liabilities of ailing industries which are not assisted!

Sixth. Even developmental banks such as the Hellenic Industrial Development Bank [ETVA] have been transformed into "treasuries" for providing state-guaranteed working capital to ailing enterprises. Moreover, for such non-developmental but purely consumer loans, ETVA resorts to borrowing from abroad or from domestic sources at 21 percent interest, a fact which contributes to its very inadequate operation. ETVA's burden becomes greater since many of the debtor enterprises do not pay off their obligations.

Seventh. Credit tightness in the economy's private sector forces the producers to turn to non-banking money markets with their usual usurious interest rates. As a result, producers raise prices in order to pay their debts through high profits. The existence of such markets aggravates the economy's inflationary trends while it forces production to shrink.

Eighth. The steady drop in individual income and especially in salaries and wages, as well as in farmer profits, is due to the anti-productive machinations in the economy's management. The socialist government uses austerity as an exclusive method for offsetting, albeit partially, the impact on productive enterprises which are threatened with strangulation by the monetary-credit program!

Yet, the drop in the absorptive capacity of the domestic market neutralizes any benefits the enterprise could derive from the reduction in labor cost!

The solution to the national economic problem is obviously political. The present government must be removed. The more it continues its stabilization program the more problematic restoration of the Greek economy will become!

7520

CSO: 3521/79

NATIONALIZATION OF PRINOS OIL CONSORTIUM ANNOUNCED

Athens I KATHIMERINI in Greek 19 Feb 87 p 1

[Excerpt] The government announced yesterday two important and momentous decisions in the oil policy sector. The first concerns the redesignation of the Vardinogiannis refineries and the second provides for nationalization of the foreign companies which are exploiting the Prinos oil field in the north Aegean Sea. The two decisions are not interrelated, of course, but both are of distinctly political importance.

With regard to nationalization of the foreign companies which are exploiting the Prinos oil field, it should be noted that in his statement yesterday, Energy and Industry Minister Peponis strongly pointed out at the very outset that nationalization of the companies is not part of the economic policy but a clearly political decision.

He said that with the approval of Premier A. Papandreou and in view of the particular strategic importance of these oil deposits, which are also a vital source of national wealth, his ministry prepared a draft bill for the purchase of a large percentage of shares from the consortium of foreign companies so that the Public Petroleum Corporation [DEP] will acquire a majority interest [in the Prinos Consortium].

Peponis emphasized that the aforementioned legislative initiative concerns exclusively and only the specific case of the consortium and that government policy on foreign investments is the one the premier has repeatedly defined.

By contrast, however, the North Aegean Petroleum Company, which acts as an agent for the consortium of foreign companies, expressed in an announcement yesterday its surprise and total disappointment at the government action and warned that with its decision the government has struck a severe blow not only to the largest investment of foreign capital in Greece but to all investments, both domestic and foreign as well.

The New Democracy

On its part the New Democracy Party said in an announcement: The premier's decision to have the government acquire by law the majority of shares in the Prinos Consortium at a time when he personally appeals for foreign

investments in Greece borders on the absurd. The Peponis statement that government policy on foreign investments has not changed but remains the same one the premier has repeatedly proclaimed, is not about to convince anyone. Who will guarantee that the PASOK government will not repeat the same tactic on other foreign investments?

7520

CSO: 3521/84

BRIEFS

BANKRUPTCY FIGURES--Many enterprises are shutting down as a result of the government's economic policy which is detrimental to the industry in general. According to a recent study by the Union of Greek Banks, during the last 1986 quarter 161 companies declared bankruptcy while 963 others filed bankruptcy papers. Correspondingly, in the third 1985 quarter, 143 firms went bankrupt and 574 others filed for bankruptcy. During the same period, 15,552 checks representing 51,913 million dollars were not covered. Also, in the last 1986 quarter, 184,456 drafts (bills of exchange) representing 12,905 million dollars remained unpaid compared to 187,537 drafts representing 11,771 million dollars during the third 1986 quarter. A comparison of the above figures shows some improvement in the case of drafts and an increase in bankruptcies and applications filed for bankruptcy. It should be noted that non-covered drafts do not include those representing amounts less than 6,000 drachmas and that the above data concern only the Athens and Piraeus areas. [Text] [Athens I VRADYNI in Greek 23 Feb 87 p 19] 7520

PYRKAL-DEI MANUFACTURING CONTRACT--A new contract between DEI /Public Power Corporation/ and PYRKAL /Munitions and Cartridge Company/ was signed yesterday. This contract relates to the second package of DEI projects being undertaken by PYRKAL within the context of the existing agreement. Specifically, the new contract provides for the following: (a) construction of three reserve storage warehouses for the Megalopolis mine, at a cost of approximately 1.5 billion drachmas; and (b) construction of eight excavators (three for the needs of the Amyndaion mine and five for the Megalopolis mine), at a cost of approximately 8 billion drachmas. In the next few days, a new contract will be signed for the construction of 10 conveyor belt systems for the needs of the Ptolemais and Megalopolis mines. Greek participation in these new projects is being increased to 70 percent, while imports from abroad are being limited solely to manufactured products (insulators, etc.) that are not yet manufactured in Greece. Signatories of the contract were Mr G. Bidimiris, DEI president and director general, and Mr P. Tsangarakis, PYRKAL delegate. [Text] [Athens I KATHIMERINI in Greek 17 Feb 87 p 7/ 5671

CSO: 3521/85

FOREIGN ECONOMIC ASSISTANCE SEEN RELATED TO ETA DEPORTEES

Madrid CAMBIO 16 in Spanish 26 Jan 87 pp 19-20

[Excerpt] This year, Spain will allocate 4.3 billion pesetas for international cooperation. Some of this aid will go to those countries which have taken in the ETA terrorists expelled from France during recent years. In this way, the government is returning the gesture made by those states: it is "paying" the boarding expenses of the deportees.

The Spanish Government will make about 5 billion pesetas available to several African and Central and South American countries which have taken in or have expressed a willingness to receive members of the ETA-military expelled from France. That money will be used to build housing, hospitals, and highways, for industrial and agricultural development, and for the improvement of communications.

Ecuador and Cape Verde are two of the countries that will benefit most from this Spanish economic effort, which is part of the International Cooperation Plan to Aid Development.

Cape Verde, a small island located off the West African coast, with an area of over 4,000 square kilometers, half the size of the city of Madrid, and a population of nearly 300,000 inhabitants, will receive approximately 107 million pesetas throughout this year.

Ecuador, a Latin American country with 8 million inhabitants, will receive about 90 million pesetas as a donation.

Nevertheless, the government will grant it an FAD (Fund to Aid Development) loan, virtually without interest, of approximately 4 billion pesetas for the construction of a dam and eight hospitals.

There are two ETA members exiled in Ecuador, and in Cape Verde there are nine prominent members of the Basque armed group. The expulsion of these terrorists from the south of France has helped to reduce the violence in the Basque Country.

In Vizcaya, where some of the expelled ETA members were operating, the number of attacks has declined from about 20 per year to two or three in 1985 and 1986.

More Aid On Account of ETA

In addition to Ecuador and Cape Verde, other countries that have offered to take in ETA members, with the commitment to provide them with housing and support and to keep them under surveillance, will also benefit from Spanish economic assistance.

In 1987, Venezuela, where there are seven ETA members, will receive 54 million pesetas. Panama, a place of refuge for eight Basque terrorists, will receive 92 million pesetas. Fidel Castro, who promised to control seven prominent members of ETA on his island, will benefit with 84 million pesetas; and the Dominican Republic, where the number two ETA figure, Eugenio Echeveste, alias "Antxon," is located, will receive 83 million pesetas.

Other countries which, for the time being, have not taken in any ETA members, but with which there have been talks so that they may do so in the future, are also benefiting in the distribution. The island of Sao Tome, with only 25,000 inhabitants, will receive 45 million pesetas, while the Seychelles islands, with 65,000 inhabitants, will receive 24 million pesetas.

Besides these eight nations, some 30 developing countries are receiving Spanish financial aid as part of the international cooperation plans.

Sources from the Ministry of Foreign Affairs assured CAMBIO 16 that the cooperation with Spain in connection with terrorism is not a deciding factor in granting this assistance, but it is another element to be taken into consideration.

2909

CSO: 3548/50

LIBERAL NEWSPAPER FAULTS GOVERNMENT'S PRICE FREEZE ORDER

Stockholm DAGENS NYHETER in Swedish 31 Jan 87 p 2

[Editorial: "Price Freeze As Cosmetics"]

[Text] For some days reports have been circulating that the government is ready to take drastic measures to prevent renegotiations which would reopen the current agreement. The general price freeze proclaimed by the government last Friday could possibly give the wage-earner organizations the excuse they need not to make use of the price clause in the agreement. It is not a question of anything but cosmetics.

And of course Stig Malm, Bjorn Rosengren and Rune Larson, who to a man have welcomed the government's decision, know this. Their reaction, however, must be viewed as positive in the sense that they are now, hopefully, prepared to argue for a completion of the current agreement. Seen from this point of view, it would, unfortunately, be to their disadvantage if more militant member groups realize the actual meaning of the price freeze.

The reasoning on the part of Kjell Olof Feldt and Bengt K.A. Johansson is also partially aimed at softening the trade union prejudices. The fact that the agreement's inflation limit of 3.2 percent was agreed upon is blamed on business, especially the automobile industry. Consequently, it is the raised prices of Volvos and Saabs that have caused the consumer price index to rise from 3.24 percent--rounded off to the accepted 3.2 percent--to 3.26 percent which is also rounded off to 3.2 percent.

By means of the price freeze, the two cabinet members now say that they can persuade the companies to refrain from such cost increases that would increase prices further. In particular, the intent is to put a lid on the wage drift.

It sounds too good to be true--and it probably is. Even if the government manages to persuade the parties to refrain from renegotiations, other unpleasant things are waiting in the wake of the price freeze. Experience hardly gives support to Feldt's expectations that the expected inflation will be lessened; on the contrary, a hidden inflation pressure is created during the waiting period, which still must be released later on in the year. The government should not let the price freeze continue for more than a couple of months.

It is hardly likely that the wage drift will be noticeably affected. If anything, the deciding factor will be whether the prevailing overheating in the building industry, especially in the larger cities, will continue. On the part of the export industry, margin has been created for wage drift because the weak dollar has pulled down the Swedish krona in relation to West European currencies, especially the West German mark. Swedish businesses with, for instance, West German competitors, consider that they have received more margin for wages.

In its fiscal plan, published not quite three weeks ago, the government did not show any apparent willingness to tackle the more fundamental problems. No measures were announced against the rapid increase in private consumption, in spite of its element of overheating. When the expectations of a tightening of the economy, created by the finance minister, came to nought, the market rates rose further. The assertion of the fiscal plan that the economic growth is spurred on by consumption and only to a small degree by capital formation thereby, regrettably, received its confirmation.

Sad to say, the expectations of inflation were also added to, since the government budget suggested an increase in the employer fees, totalling almost 1.3 percentage points, effective in 1988, when it is once again time for wage negotiations. It is evident from the fiscal plan that the government coldly figures that the wage negotiations will become more difficult, when a very small margin for wages is made even smaller. For lack of anything else, the problem is being postponed with a reference to coming negotiations with the parties. Every day seems to have enough of its own sorrow.

What happens if there are renegotiations despite the price freeze? The question was put to the finance minister, who answered that the price freeze would then be lifted immediately. According to him, the result would be a wave of inflation that the participants themselves would be responsible for.

There are reasons for questioning how long those kinds of threats can be effective. It might succeed this time, but in the long run, it will prove impossible to talk down inflation in this manner. One of the participants will sooner or later have to challenge Feldt to see if he is really serious when he warns of increased unemployment in the wake of inflation.

The price freeze can be viewed as an effort on the part of the government to gain time before the great resolution expected in 1988; that fateful year when the too rapid rate of increases in costs will be stopped. The government needs to get ready for its double task of first acting as a hardheaded employer to the public employees and then seeking their support in the election campaign against the non-Socialist opposition.

We venture a guess that what is most important to the Social Democrats will be to retain the power in the government, even though it might require more price freezes. In that sense, the authors of the so-called Brookings report are probably right, when they say that the latest devaluation will not be the last.

12339
CSO:3650/58

NAVY'S CURRENT C-2, COMPUTER-GUIDED WEAPON SYSTEMS SURVEYED

Bonn MARINE FORUM in German Nov 86 pp 384-387

[Article by Rolf Noeske: "Navy Operational Command Systems--Indispensable for Marine Operations"]

[Text] Navy operations can no longer be conducted in the absence of operational command systems due to shorter early warning and reaction times and permanently increased dynamic development of situation parameters in the area of operations coupled with the rapid progress of battle.

Command and Weapon Engagement Systems (CWESS) and Command Information Systems (CISS)

Two decades ago it was already recognized by the Navy that existing command systems were no match for the increasing amount of information to be processed in the course of naval warfare. They were also no longer able to react quickly enough for successful control and engagement of naval ship and air force weapons systems equipped with sophisticated sensors and weapons.

The changing conditions prevailing within the operations area lead to the Navy's need to introduce modern engagement control systems. Electronic data processing was a logical choice for the support of those aspects of the military command process most affected by these changing conditions, as well as for the elimination of problems discovered during its implementation.

Correct tactical decisions can only be made if the tactical command personnel have at their disposal the following information:

- an up-to-date, comprehensive picture of the situation from the area of operations;
- the capability to react quickly with short reaction times;
- capability to immediately and flexibly utilize all weapons under the control of tactical personnel;
- the ability to repeatedly concentrate the effects of the weapons in the shortest time possible; and

- an information, alarm and command network capable of almost immediate response throughout all command levels.

In order to be able to coordinate and conduct naval warfare in all three dimensions as demanded by the changing situation via a network of complementary weapons systems, command systems must meet exacting requirements, and the necessary operational command information must be of high quality.

Different aspects of command support through operational command systems are assigned different levels of importance. In assessing the situation, the greatest importance in command support is given to the collecting and display of information, and the exchange of commands, information and command-critical information. In the planning phase, command personnel will be able to call on an increasing level of support provided by qualified decision-making aids.

The Navy has developed a concept for operational command systems aided by data processing which encompasses the following three command levels: Navy command staff, fleet command (operational command) and units (tactical command). Here, shipboard-supported command and weapon engagement systems (CWESs) and land-based command information systems (CISs) are developed separately from one another and connected to the Navy command system via data links.

A CWES principally consists of computers with corresponding peripherals, and CRT terminals. CWES software bundles all of the on-board sensors and weapons together to form a functional whole. The CWES thus controls all important decision functions, and provides tactical control of sensors and weapons. Shipboard-supported CWESs are thus characterized by automation and real-time processing of instantaneous data provided by sensors and weapons, with such data being used for weapon engagement.

CWESs are primarily support systems for operational command and its superior command level. They provide support for operational planning and the engagement of naval forces. CWESs are characterized by high computer capacity, comprehensive display capacity and broad-based telecommunications capability.

Initial Data Processing-Supported Operational Command System

In 1969 the Navy put its first operational command system into service. This first system--the SATIR (system for evaluating tactical information on ships with onboard computers)--was installed in guided-missile destroyers of the LUETJENS class. Developed in close cooperation with the U.S. Navy and U.S. industry in order to meet the specialized requirements of the West German Navy, SATIR is used as a first-generation system primarily to produce a data processing-supported picture of the situation; however, it also provides early support in the decision-making process. Its main functions are:

- continuing calculation of the positions of the Navy's own ships based on automatically stored compass and log values;
- calculation of military navigation tasks;

- computer support in the conversion of radar target data into situation data;
- computer support in the conversion of sonar values into situation data;
- computer support in the transfer of target data to the weapon engagement area;
- performance of engagement feasibility calculations; and
- automatic exchange of situation data with other units.

The state of automation technology when SATIR was introduced was not very advanced in terms of individual functions, and situational assessment required a number of manual actions.

In the process of upgrading the combat effectiveness of LUETJENS destroyers (Class 103 B), the performance of the SATIR operational command system was improved through the use of a new computer while at the same time new and higher-performance sensors as well as new naval antiship and antiaircraft weapons were integrated into the system.

AGIS for Patrol Boats

Based on experience gained with the SATIR system, the AGIS system (automated combat and information system) was developed at the beginning of the 1970s as a second-generation CWES. In addition to the experience gained through use of the SATIR system, completely novel approaches had to be pursued in system design in order to compensate for the limited space available on patrol boats. The command and fire control subsystems were simultaneously incorporated into two computers of the same type, and digital processing was selected as the method of choice for all data. The main functions in the command and decision-making processes in the system, including the initiation of weapon engagement, were therefore grouped together at a multi-person console--the tactical terminal. The system additionally comprises sensors and effectors. The engagement process itself is supported by several fire control consoles.

Thorough integration of the command and weapon engagement equipment, as well as the provision of custom operational software, made it possible to develop a compact CWES with a fast reaction time which met all requirements. Like the SATIR CWES, the AGIS is also equipped with a computer-controlled data link.

System design changes were also made in the Class 143-A AGIS-equipped patrol boats, as compared to Class 143 AGIS patrol boats, in order to meet the increasing threat. In addition, so many changes were made to the existing AGIS S-143 operational program for the purpose of incorporating new components into the system, meeting requirements borne of practical experience and increasing the degree of automation that a new operational program was developed: The AGIS-S 143 A.

PALIS

The broad expansion of automatic data transfer (data links) in the Navies of NATO ensures practically instantaneous transfer of situational information and commands between individual units in a formation for command purposes, even if

the formation is multinational. The quality of the picture of the situation is increased, defensive reactions are accelerated and the potential for success is generally enhanced.

The PALIS system (passive/active link information system) was developed in the mid-70's in order to be able to take advantage of this mobile, rapid-response command potential within formations consisting of data link units and non-system units. The system was intended to be retrofitted in destroyers of the HAMBURG Class and Class 148 patrol boats. The main task of PALIS is to generate an updated picture of the situation by receiving and storing information provided via data links, to correlate and display this information together with the system's own situational data and to transmit information provided by onboard sensors.

SATIR for BREMEN Class Ships

The commissioning of the frigate BREMEN (Class F 122) in 1982, represented the putting into service of a third-generation CWES, the SATIR F-122. This system is characterized by increased use of digital engineering; individual system components already use digital computers for preliminary processing of data. The heart of the system is a high-performance computer which is connected to virtually all of the ship's onboard sensors and effectors, and which allows the individual system components to be accessed from the multipurpose consoles.

System logic operations for the distribution of data within the system are provided by the command and weapon engagement program. This program groups the individual system components together to form an organic whole, and simultaneously enables multiple threats to be countered. In contrast to the engagement programs of earlier systems, the new SATIR system presents the following advantages:

- automation of radar target development and tracking;
- increased antiaircraft capability;
- antisubmarine support;
- integration of EloKa;
- helicopter control support; and
- logging of increased amount of tactical data for subsequent evaluation.

Development of the tactical software was also influenced by the desire to eliminate all but supervisory and control tasks for the operators of multipurpose consoles at the command and weapon engagement centers, thereby removing some of the operators' burden and shortening the system reaction time.

Operational Command Level: MHQ

With the start of development of the MHQ CIS in 1972, efforts also got under way to integrate the operational command level into the process of modernization of command and operational resources in order to support the fleet command personnel in analyzing the threat on the operational level, arriving at a decision and issuing commands. These are command activities

which are time-critical with regard to other navies due to the particular geographical situation. The primary capabilities of the MHQ system are therefore:

- establishment and reliable control of all links required for the transfer of information between the command center and other military units or organizations;
- fact-oriented distribution of information; and
- information processing and display.

This complex CIS was designed step-by-step. The first stage has been in use since 1980. The heart of the system is a central computer system with high-capacity data storage capability, alphanumeric and graphics consoles, and other peripheral devices. The system also incorporates several subsystems such as a conventional telecommunications system, the data link component and the large-scale situation display component.

The MHQ is subdivided by function into the operations center and the telecommunications center, the latter of which incorporates in software those regulations and operating sequences necessary for conventional telecommunications traffic. These software programs are computer-controlled and execute automatically. The transmit and receive systems are also dialed and controlled with software support.

The system is designed so that operators sitting at the telecommunications center consoles are required to interact with the system only if the software has detected any procedural errors, or if unusual malfunctions in the telecommunications equipment have occurred.

Evaluation of incoming calls, compressing of their contents, as well as alphanumeric and graphic display at the consoles and the large-scale display equipment in the operations center are computer-controlled. Information received can be supplemented by data stored in the databases, and retransmitted virtually instantaneously.

The second stage, which was concerned exclusively with the development and implementation of applications software and which made use of prior experience gained in system operation, was put into service at the end of 1983. Following its introduction, functions were expanded and adaptation and tuning of the system was performed on the basis of initial experience in its application. The entire data processing-supported MHQ CIS was put into service in 1985 upon conclusion of extensive system and acceptance testing.

Plans for the Future

Even after the start of full utilization of the MHQ CIS, development must continue. In the future, two goals will be pursued:

- Expansion of MHQ functions, in particular the connection of external systems and subsystems such as network provision within the BALTAP area, as well as connection of the naval air group command post which is still in the

definition phase. In addition, connection of the modernized coastal radar organization is planned in order to provide an additional sensor for the MHQ.

- Any hardware and software modifications resulting from experience gained in practical application or which become necessary as the result of new requirements, new hardware and new developments in data processing technology.

Further plans are directed toward equipping submarines, mine sweepers, helicopters, and MPA with sophisticated command and weapon engagement systems.

Summary

The Navy has been using operational command systems successfully for 15 years, and has developed a broad general concept for the use of data processing at the various command levels in order to meet the threat as reaction speed and situation dictate.

In the future implementation of CISSs and CWESs, the following goals will be pursued (see also MARINE FORUM, Dec 84):

- increasing the capacity of operational command systems by accelerating the command process and increasing command quality;
- further relieving system users, replacing the user in the performance of appropriately formatted tasks in the area of information processing, providing the user with greater assistance in dealing with a complex tactical environment; and
- freeing command personnel from an avalanche of information, thereby giving them more time for situation assessment and increasing the quality of the decisions made.

12644

CSO: 3620/121

FORMER DEFENSE MINISTER URGES GREATER PLANNING ROLE FOR MP'S

Helsinki HUFVUDSTADSBLADET in Swedish 30 Dec 86 p 2

[Op Ed Article by Ingvar S. Melin, former minister of defense; first paragraph is HUFVUDSTADSBLADET introduction]

[Text] Ingvar S. Melin has a licentiate in economics and is a former minister of defense. Here he criticizes the government and the Ministry of Finance for the fact that an important portion of the recommendation by the Parliamentary Defense Commission has been disregarded in the proposed budget. Melin says that if we want to safeguard our credibility, we should follow the example set by Sweden, where a defense committee consisting of members of Parliament makes recommendations every 5 years and Parliament then adopts those recommendations to the letter for implementation by the government.

Our military preparedness has become a front-rank topic of debate as security policy and the defense budget have stayed in the limelight over the past few months. The discussion is concerned partly with the effects on North Europe of the growing conflicts between NATO and Soviet interests in the North Atlantic.

In April 1985, the cabinet appointed a Parliamentary Defense Commission that was instructed by the Ministry of Defense to prepare a report covering an Armed Forces activity and development plan for the years from 1987 to 1991. From 1970 to 1981, that activity had been carried out by three broad-based and representative parliamentary defense committees. In April 1986, the commission submitted an opinion report in which it emphasized that the procurement of military equipment as recommended by the Third Parliamentary Defense Committee in 1981 had not been carried out because of insufficient appropriations.

During the 1980's, the price of defense equipment has risen 5 percent faster, on average, than the general price level. The Third Parliamentary Defense Committee had estimated that the price rise--due chiefly to the higher price of advanced technology--would amount to only 2 percent. The commission therefore felt that an increase in the defense appropriation over and above a normal annual increase of 3.8 percent between 1987 and 1991, which the Third Parliamentary Defense Committee had put forward as a goal, should also include

compensation for the backlog from 1982 to 1986 with respect to equipment procurement, personnel, and so-called technical price rises.

To inject a comparison with Sweden, it is worth noting that Swedish defense studies, which lead to parliamentary decisions every 5 years covering the procurement of defense equipment and other matters for the ensuing 5-year period, use two different cost indexes--one covering wage costs and the other covering equipment and services.

The purpose in using those indexes is to give the decisionmakers a realistic picture of cost developments. The reliability of those indexes is not questioned by the politicians. Following the Swedish pattern, we in our future defense committees should begin relying on valid indexes as far as technical price developments are concerned and thereby prevent unrealistic decisions from being made. Once we agree on cost developments, we will surely also be able to reduce political disagreement over the military's need for budget appropriations.

Although the makeup of the Defense Commission was certainly representative politically--members included the former under secretary of state in the Ministry of Foreign Affairs, Matti Tuovinen (Center Party), and the party secretaries of the Social Democratic and Swedish People's Parties--its final position, against which only the Finnish People's Democratic League made a reservation, did not win enough government support in the proposed budget for 1987. The government decided to increase the military appropriation by the same average percentage as that for all other government departments. In short, Minister of Finance Ollila did not propose what Matti Tuovinen, his representative on the Defense Commission, had defended before the commission with his party's consent.

That throwing of cold water on the Armed Forces was not to pass unchallenged. The commanding general of the Armed Forces, General Jaakko Valtanen, told the 100th Defense Course at the end of September 1986 that he considered it "especially serious that the budget differs so sharply from the proposal that was made in accordance with the unambiguous stand adopted by the Parliamentary Defense Commission with its great body of expert knowledge."

The commanding general recalled that there had been no problem in carrying out the recommendations of the first two parliamentary defense committees. But he was worried about the fact that we had fallen noticeably behind in carrying out the recommendations of the Third Parliamentary Defense Committee. According to Valtanen, the government's budget for 1987 means that the appropriation for equipment procurement will be 500 million markkas below the amount called for by the Parliamentary Defense Commission. That amounts to 25 percent of what the commission had recommended earlier in the year.

If the government does not adopt the Defense Commission's recommendation for a higher level, the gap will grow to nearly 3 billion markkas between 1987 and 1991. One consequence of that is that we will lack equipment for the reserves in the 1990's. It is a serious matter that we will be unable to carry out the plans for replenishing equipment for the ground forces.

To make a comparison with Sweden, it is worth mentioning that preparations are now underway there for the important defense decision that is made every 5 years. The parties in Parliament are represented on the Swedish Defense Committee, whose proposals are expected on 15 January. Agreement exists in Sweden between the nonsocialist parties and the Social Democrats concerning the need to increase defense preparedness in the field of equipment. Opinions are still divided, however, on how large the increase should be. On that point, there is disagreement between the government and the nonsocialists and also among the nonsocialist parties themselves.

The possibility of reaching a decision acceptable to all except the Communists is regarded as not being out of the question. After that, the Swedish Government is expected to submit a bill to Parliament in March covering the 1987 defense decision. It should be noted that government bills in Sweden have followed to the letter whatever recommendations the Defense Committee has come up with following a year-long study and difficult negotiations. That is how Sweden creates credibility for its Armed Forces. It seems rather odd that in our case, it is the Ministry of Finance which appears to have the final say regarding defense policy.

I say that because the Ministry of Finance prunes the appropriation amounts that are worked out by broad-based parliamentary bodies and then presented by the Ministry of Defense. Should not we in Finland do as they do in Sweden and also agree to appropriate the defense amounts that at least the government parties and a large opposition party have agreed on? Credibility will be the loser from this pronounced lack of consistency.

President J.K. Paasikivi urged the government during the difficult postwar years to strengthen the country's Armed Forces. In his memos we find the observation that "the better we ourselves are able to fulfill our commitments under the VSB [Treaty of Friendship and Cooperation], the more certain we will be of keeping leadership in our own hands."

As a footnote:

In 1985, Sweden devoted 2.8 percent of its gross national product to military defense. The corresponding figures for Switzerland and Austria (which need neither coastal nor naval defenses) were 2.1 percent and 1.3 percent, while the figure for Finland was 1.4 percent of GNP. For Norway the figure was 3.1 percent, and for Denmark it was 2.4 percent.

11798

CSO: 3650/46

CHAIRMAN EXPLAINS ROLE OF NEW CITIZENS DEFENSE COMMITTEE

Helsinki HUFVUDSTADSBLADET in Swedish 30 Dec 86 p 15

[Report on interview with Lars Dufholm, chairman of Citizens Defense Committee, by Tommy Westerlund; date and place not specified]

[Text] "There should be bodies that look at and examine defense and security issues from the standpoint of all of society. That task must not pass solely into the hands of military professionals. That is one reason why a citizens committee was formed," says that committee's chairman, legislative counselor Lars Dufholm. "The committee can be regarded as a shadow committee to the Commission on Defense Policy."

The citizens committee will analyze Finland's security situation and the role of the Armed Forces, especially in regard to the new strategic constellations in North Europe and the development of weapon technology.

Committee Chairman Lars Dufholm says that the fundamental reason why the committee was established is that the parliamentary defense committees have ceased their activity.

"It is true that the so-called Commission on Defense Policy has been set up in their place, but its main job is merely to analyze the financial resources which the military feel they need--to take care of the buildup in weapons that is underway," says Dufholm.

"It has not devoted itself in any real sense to analyses of Finland's defense doctrine--planning for various crisis situations--or changes to it. We have therefore reached a point where there is not really any body or organization to devote itself to the defense issue and, in a wider sense, to security policy."

It is felt in many quarters that the issue is even more touchy now than previously. The group behind the citizens committee feels, on the contrary, that the citizens themselves should ponder the situation together and take a stand concerning the main outlines of security policy. That is the basis for the committee.

Peace Movement but not Conservatives

The group promoting the citizens committee is the Committee of 100, which is involved in the peace movement but which is eager to point out that this citizens committee does not represent the Committee of 100 and is not committed in any way. A broadly based committee was considered essential.

The citizens committee nonetheless has a good sprinkling of representatives of the peace movement. Despite that, according to Dufholm, most of the members feel that Finland needs an Army, at least as long as the world remains the way it is today.

The committee includes representatives of the Social Democratic Party, the People's Democratic League, the Greens, the Liberal People's Party, the Center Party, and Dufholm himself, who was once a member of the Swedish People's Party. The Conservatives are not represented. Why?

"It would not have been impossible to work with a representative of the Conservative Party, but the promoters did not immediately find such a person who would fit the pattern. Personally, I would not object to having a representative of the Conservative Party on our committee, but I did not want to interfere in its makeup. And it came as a surprise to me personally when I was called on to chair the committee," Lars Dufholm emphasized.

In that connection, he pointed out that the parliamentary defense committees had also been lopsided in that the Social Democrats usually appointed members who were passive or even in agreement with the nonsocialists to be their representatives.

Dufholm added that if the Conservatives were also included, the results might be completely watered down because of the requirement for consensus. The Greens are new at this sort of thing, and he believes they will be a very good addition to the group.

New Doctrine not an Alternative

Dufholm pointed out that the citizens committee is not out to establish an alternative defense doctrine. Its purpose is to take a stand on security issues in the broadest sense after analyzing them independently and on the basis of all the the material it can procure on the subject.

"Military policy is only one aspect, although certainly an important one. Equally important is the question of how, in a difficult situation of isolation, Finland will cope economically and socially—that is, how Finland's people will manage in a crisis situation.

"We are not among those who feel that we can ignore the nuclear threat. It is certainly true that no one is planning a nuclear attack as such on Finland, but the nature of nuclear weapons has changed. The danger that nuclear weapons will be used by mistake, as a demonstration, or on a one-shot basis is great in case of an escalation.

"We do not believe those military political circles which try to disregard the nuclear threat only because it is unlikely that anyone will deliberately begin using nuclear weapons."

On the subject of resource allocation in Finland, Lars Dufholm feels that we must discuss how much we are going to invest in military defense, economic defense, and disaster relief planning. Instead of an alternative doctrine, he prefers to talk about a new kind of defense doctrine.

"I do not want to anticipate the citizens committee's views and opinions in any sense other than that its makeup already reveals certain broad outlines. Since there is no representative of the Conservative Party, the intention is to weigh the defense policy in such a way that the military aspect will not be completely dominant."

The committee will concern itself not only with doctrinal but also with economic matters, and in that respect, it will be a kind of shadow committee to the official Commission on Defense. But defense doctrine is the crucial thing as far as the committee is concerned.

"In Finland at present, there is a superficial molding of public opinion that tends to concentrate on resources, which are not the crucial thing. We can neither increase nor decrease the defense appropriation by very much. The main question is: what is the doctrine?"

Civilian Control

Much has happened and changed over the past few years: the superpowers are both in an unstable situation domestically, and this constantly influences the situation here in the Nordic Region. A short time ago, Reagan was a strong president, but now the situation is suddenly different. Gorbachev will not be able to carry out all his reforms without some degree of opposition. New weapons have been deployed in Europe. Sweden is no longer the strong central power in the Nordic Region, and its relations with the Soviet Union are not the best imaginable. And so on.

"In this situation, we must not take the narrow view and look only at the military aspect. In the matter of armament policy, whether Finland has more or fewer resources is not a crucial point. I don't want to say more than that because I don't want to get ahead of the committee," said Dufholm.

He emphasized that civilian control of defense and security policy must be strengthened. That goes along with the idea that there should be organizations like the citizens committee he now chairs to look at and examine the issues from the standpoint of all of society. That task must not pass solely into the hands of military professionals.

"As a result of the elimination of the parliamentary defense committees and the defense minister's low profile, the role of the military in matters of defense and security policy has grown stronger and stronger," Dufholm argues.

Revision of History

Security policy is, of course, a combination of defense policy and foreign policy. Foreign policy will therefore form an important backdrop to the committee's examination of defense policy.

The chairman of the citizens committee says that it will carefully consider issues related to foreign policy doctrine. Speaking for himself, he argues that today in Finland, we are showing a certain tendency to rewrite the history of our wars. The result is a shift in opinion within the younger generation. We must examine that change in opinion and take a stand on it.

"Unfortunately, there is a tendency among people to look back at the events of the old days. That often works against the peace movement."

A broadly based citizens committee debating our country's defense and foreign policy is something unique. As we all know, there is a tendency in Finland generally to avoid a broad-based discussion of such matters among the citizens. But now they are going to be debated, and within 2 years, the committee will have a general report ready, perhaps with recommendations. The weight those recommendations will carry will depend on what they say and on what the situation is at that time.

11798

CSO: 3650/46

POSSIBILITY OF CLASH WITH TURKEY EXPLORED

Athens I VRADYNI in Greek 14 Feb 87 p 4

[Article by Rodolfos Moronis]

[Text] We are moving at a constantly accelerating pace towards a deep and total crisis. We perceive this daily. All the political parties of the country are pointing, in different accents, to the evidence for this crisis, and are noting that at all levels--political, social, and economic--we are at an impasse. The charge against the government's policy by the entire gamut of the opposition is that this is to blame for the course that our country has taken.

In view of this crisis, the warning the other day by the former chairman of the New Democracy Party about the danger of a conflict with Turkey sounded horrifying. In speaking to the Parliamentary Group of the New Democracy, Mr Averof said specifically that "it is our foreign policy that can lead us into war. I am not saying this with little thought: It can lead us into war."

No matter how much this prospect revolts us and makes us inclined to want to dismiss it, it should give us pause for thought. Because Averof is a time-tested, cool-headed, very broadly and multi-facetedly informed, and responsible political figure, and it is certain that he would not speak as he did without carefully examining his own thinking beforehand.

Ongoing Designs

Certainly Averof did not base his warning on the recent statements by the Turkish premier, T. Ozal, about coercing Greece, under the threat of 1 million Turks, to accede to the claims of Ankara. Of course, this does not mean that the statements of Ozal do not reveal certain specific Turkish plans and desires. It should be considered as given that Turkey has ongoing designs against Greece. Premier A. Papandreou himself, in speaking to journalists in Davos, revealed that official Turkish documents have come into the possession of Greece, documents that demonstrate the ongoing nature of the Turkish designs against us. Thus, the threat is indisputable. But can it turn into an action? Is an act of war by Turkey against Greece possible?

Various premises should be examined before one ventures to give an answer to this question. The most important of these are whether Turkey in fact feels able to become engaged in a military adventure that will have results auspicious for itself, whether inside Turkey itself the prerequisites exist that would induce the leadership of the country to undertake such an adventure, and finally whether the international climate would permit the development of a military initiative by Turkey.

We have repeatedly heard the Turkish political and military leadership expressing its satisfaction and its confidence in the combat ability of the country's armed forces. It is not so important what others and ourselves think or believe about the combat-readiness of the Turkish army. What counts is what the Turks themselves think. And they believe it is very likely that they are fully "in a position to give a military lesson to Greece."

Although economically speaking the internal situation in Turkey would not permit the undertaking of any adventure, nevertheless it contains elements that would favor the opposite course. In a period of growing religious fanaticism and in a time when it would be fitting for the attention of the Turkish people to be diverted from their terrible social and economic problems, a clash with Greece could constitute a solution. It would stir up Turkish chauvinism and consequently it would make entirely secondary the problem of exaggerated Islamism, and it would give the Turkish people an "ideal," in the contemplation of which they would be ready to set aside their economic and social demands.

But, as has already been pointed out, the will and the internal conditions are not sufficient for a war to be launched. These days it is impossible to ignore the international factor. And logically speaking the international conditions do not permit Turkey to get engaged in military operations against Greece. By no means would the United States and NATO wish to make themselves look foolish by a clash between two allies. And just when it is endeavoring to improve its relations with the EEC, Turkey knows well that it does not have any room for experimentations of this sort.

It seems that Premier A. Papandreou was right when he stated to the Chamber of Deputies that our withdrawal from NATO would lead to a war with Turkey. At the least, a withdrawal from NATO would make a war more likely.

Therefore we could say with certainty that a war between Turkey and Greece is impossible--if there were not yet another possibility: For a war to begin otherwise than from a direct attack by Turkey against Greece. Since the political cost for Turkey would be tremendous if it undertook a military action against Greece, there is only one other path left: To provoke Greece and to have it make the first move. In such a case, Turkey would appear to NATO, to the EEC, and to international public opinion as obliged to respond to the Greek aggression. Since in the minds of everybody "war begins when it breaks out," nobody will take into consideration the conditions and the provocations that one side suffered before being obliged to respond at the same level.

The unfortunate thing is that at present Turkey has the ability to provoke a clash and after the fact to play the part of the innocent suffering a Greek attack. It is enough to make some military move in Cyprus. As the premier has stated in the Chamber of Deputies recently, an "aggressive" Turkish action in Cyprus will be considered a casus belli by Greece. And of course a Greek-Turkish confrontation cannot be restricted to Cyprus.

No matter how much one wants to banish from his mind such thoughts and possibilities, and no matter how much he wishes them not to be realized, he cannot ignore them.

12114

CSO: 3521/83

PAPANDREOU'S GOALS IN PROPOSED 'REFERENDUM' ON BASES

Athens I AVGI in Greek 25 Jan 87 pp 1, 8

/Text/ The prospect for embroiling the bases issue in PASOK's electoral games-- parliamentary elections or a referendum-- is being cultivated by government circles as a negotiable "trump card" vis-a-vis the United States, while at the same time it could also be used as a reserve solution for getting out of the impasses that are increasing in the economic sphere.

On the other hand, it is known that the Americans want the new agreement signed by the PASOK government and not to be embroiled in domestic political disputes that could make difficult a solution that would be satisfactory to their interests.

Yesterday, the government refused to deny information about holding a referendum on the bases issue. This information was reported in almost the entire press following discussions in the Chamber of Deputies. In answer to a relevant question, government spokesman And. Kourtis said that "the prime minister mentioned in the Chamber of Deputies that the government is awaiting some sign from the U.S. Government. Everything else that is being written"--he eloquently added-- "remains in the realm of conjecture."

Government circles were unofficially saying yesterday that the approval of the people in settling the bases issue, the need for which the prime minister noted in the Chamber of Deputies, "can be sought through various means." They mentioned that negotiations would be held openly for the purpose of informing the people and political leaders about the progress in the Greek-American dialogue but, they also added, in politics nothing is to be ruled out and the government will not hesitate in making use of the "weapon" --as they described it-- of going directly to the people.

Confusion that is intentionally being cultivated over the government's intentions has, of course, its own interpretation since negotiations have not yet begun. Nevertheless, it has the meaning of the message to the United States that the latter offer some trade-offs for having the bases remain, trade-offs "capable of convincing the people about any presence of the bases" --the phrase used by Mr Papandreou.

Nevertheless, the government has in its possession the results of polls that show that the majority of public opinion is in favor of the agreement's implementation and the withdrawal of the foreign bases.

Government authorities do not hide these facts from American representatives but, to the contrary, point them out to them to stress the political difficulties faced by the government in view of moving forward to a new agreement, thus asking for an increase in trade-offs.

Inside the government the idea of seeking "recourse to the people" is being used as a political reserve by Mr Papandreou. In case of a breakdown in negotiations -- even a willful one-- recourse to the people could assume the form of early elections with the "banner" being implementation of the 1983 agreement.

However, in case where everything goes well and an agreement is reached, it is felt that a referendum --a ratification of this agreement-- would make both political and popular forces jointly responsible with the prime minister.

5671

CSO: 3521/78

SCENARIO FOR U.S. BASES' USE IN MIDDLE EASTERN CONFLICT

Athens KYRIAKATIKI ELEVTHEROTYPIA in Greek 1 Feb 87 pp 6-7

[Article by Giorgos Tsakiris]

[Text] Will the Americans invade Lebanon? And if an invasion takes place, will they use the American bases in Greece in order to support their operation?

Of course, the Greek government has stated categorically that it will not permit the bases to be used for such a purpose. But how much can it monitor the Americans, if they want to use such bases without the knowledge of the Greek government?

Questions

These are questions that have been concerning many Greeks from the time when the military machinery of the United States began to show activity, with indications that it would intervene in Lebanon with the hostages as the excuse. The KYRIAKATIKI ELEVTHEROTYPIA made a study concerning this burning issue, and it will try to give answers to the understandable perplexities that have arisen.

Let us see first how many American bases there are in Greece. There are 24 American bases and other facilities in our country:

1) Ellinikon, 2) Parnitha, 3) Pendeli, 4) Koropi, 5) Pateras, 6) Megara, 7) Elefsis, 8) Souda, 9) Irakleion, 10) Dikti, 11) Araxos, 12) South-west Pelopponisos, 13) Levkas, 14) Aktion, 15) Larisa, 16) Pilion, 17) Vitsis, 18) Giannitsa, 19) Khortiatiss, 20) Langadas, 21) Kilki, 22) Drama, 23) Komotini, and 24) Nea Makri.

Ministry sources who were asked whether it is possible for the Americans to use their bases in Greece for a possible attack on Lebanon said: The DEKA treaty, which defines the manner of functioning of the American bases in our country, says clearly that none of the bases has an operational potentiality.

Those bases that are air fields function as refueling stations for the American airplanes. Of course, if some American fighter plane asks to land

because of equipment damage, we cannot refuse it. But this can happen to any airplane, even if it is a plane of the Greek Air Force or a civilian plane.

As for the telecommunications bases such as the one at Nea Makri, nobody can monitor them or learn the role they will play in a possible American attack on Lebanon.

Unsuitable

Therefore let us assume that the attack of the Americans takes place. In Greece, the bases that are closest to Lebanon are the bases on Crete. There the airplanes of the Americans can land "because of an emergency." But there is no reason for them to use the Souda base, because:

- a) It is remote, and an airplane with problems will not approach it.
- b) With the resources that this base has today, it cannot refuel all the types of American airplanes, but rather only those that are used also by the Greek Air Force.
- c) And this base cannot form crews for the American fighter planes.

Another reason that the Americans will not decide to use Souda is that there are bases very close to Lebanon: In Israel and in Turkey, which not only are less than half as far away as Crete, but which also have the capabilities for refueling and manning the American airplanes.

Useless

If the attack takes place with the same airplanes that were used in Libya, the F-111's, then the Souda base is essentially useless to the Americans. The reasons are that even if we find a way to give them fuel, we have no way to supply electric power for starting the aircraft. Also there is no ammunition of the kind that the airplanes need. Finally, no Greek technician knows how to check whether the airplanes are in readiness for taking off again, and nobody can give the final "OK" for the take-off.

But let us look also at the telecommunications bases, such as that at Nea Makri. From there the only thing the Americans can do is to get into contact with their forces and to engage in jamming of radio-television signals. If there is an American attack on Lebanon, it is not in America's interests to use the base of Nea Makri to engage in countermeasures, because these will knock out the entire Mediterranean area. They have the means, as they did in their attack on Libya, to send an airplane, or a remote-controlled craft (RPV), precisely over the target or even along the Lebanon-Israel border, and to knock out the Lebanon communications without creating problems for American communications.

All the evidence indicates that the Greek bases will not be used, because the Americans do not need them in any possible attack on Lebanon.

Problem

The only problem we will face, if finally the attack does take place, is that subsequently we will have to guard well the American bases in our country, in order to avoid suffering a terrorist attack, which perhaps would result in yet another directive by the American President on avoiding travel here, to the detriment of our country.

12114

CSO: 3521/83

PAPANDREOU'S REPORTED DISLIKE OF ARMED FORCES

Athens EMBISTEVTIKO GRAMMA in Greek 21 Jan 87 p 4

[Text] It is not that the Papandreou government is unaware of the state of readiness of the Armed Forces, commented authoritative circles in New Democracy. It is not that Mr A. Papandreou does not recognize from his own sources and from the successive reports by the leadership of the Armed Forces that Turkey is becoming all-powerful in land and air forces and is gaining superiority in arms in the Aegean. It is that he cannot overcome the "natural antipathy" that he has toward the Armed Forces because of the political philosophy of PASOK. "PASOK perceives the Armed Forces as 'tools of nationalism,' a 'necessary evil' and the 'organ of the imposition of political solutions and dictatorship,'" they say.

Mr A. Papandreou's positions on the "nuclear-free Balkans, the "unilateral disarmament of Greece," the "withdrawal of atomic weapons," the "peace movements" and the "initiatives of the six" obviously show that the functioning of powerful Armed Forces is not his desire. He therefore supports the Armed Forces only at their present level, lest he reach a complete impasse.

In short, according to the above circles, Mr A. Papandreou sees Greece's Armed Forces as an "excessive luxury." If indeed there were not "the Turkey of the generals" on the other side, the Papandreou government would have minimized its interest in National Defense. A purely civilian Turkish government would put the Papandreou government even more at ease.

12570/12948
CSO: 3521/81

GREEK FIRM REPORTEDLY INVOLVED IN ARMS EXPORTS TO IRAN

Athens I KATHIMERINI in Greek 25 Feb 87 p 1

[Article by Brussels Correspondent Kostas Kekis: "A Greek Company Involved in European Irongate"]

[Text] The Belgian newspaper SOIR revealed a strange case of arms shipments from Europe to Iran--a sort of a European Irongate--with the participation of a Greek firm. Specifically, Elbimek (no other information is known) is reported to have acted as middleman in arms exports to Iran and to have made profits of about 2 million dollars. According to SOIR the case is as follows:

Since 1985 a Swede named Carl Eric Smitz has been receiving orders from Iran for arms and ammunition which he assigned to a Danish arms dealer who in turn passed on the order to the Belgian arms industry, "P.R.B." The Belgian company completed the order and issued the necessary shipping documents, which stated the port of Rijeka in Yugoslavia as the place of delivery. But as the newspaper claims, the real consignee was Elbimek which--according to reports--channeled the arms to Iran.

According to SOIR the Swedish arms merchant had signed about 170 contracts for arms and ammunition, but until now no data has been found except for four contracts, and the 2 million dollars Elbimek presumably made concern these four contracts.

In any event, no complaints have been filed with the Greek Ministry of Foreign Affairs nor are there any data available about Greek firms being officially involved in arms trafficking in the Iran-Iraq war. At least this is what Foreign Minister Papoulias said to reporters.

He added that Greece keeps its distance from any arms trading in the Iran-Iraq war even though such a policy cost the Greek Munitions and Cartridge Co. [PYRKAL] losses of about 2.4 billion dollars at a time, moreover, when the Greek industry in general faces serious economic problems. Other countries, Papoulias pointed out, had agreed to sell arms for a few hundred thousand dollars.

Papoulias also said several times that attempts were made by outsiders to involve Greece in arms deals in the Iran-Iraq war but in all cases such attempts failed. However, he did not deny that a Greek company abroad might have played the role of middleman but, such cases can be easily monitored by Athens.

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CSO: 3521/87

DEFENSE MINISTER ON MANEUVERS INVOLVING NUCLEAR ARMS

Athens I KATHIMERINI in Greek 5 Feb 87 p 2

[Text] It was confirmed that as of 2 days ago Northern Greece military units are conducting maneuvers with nuclear arms stored there. But the maneuvers have no operational character said Deputy Premier and Defense Minister I. Kharalampopoulos who added: "The objective of the maneuvers is to insure the safety of the Greek area from any danger which can be caused by the presence, transportation or unloading of nuclear weapons." He elucidated:

--An example we could cite is the entry into our country of terrorists and the possible attempt on their part to steal these weapons. These maneuvers do not provide for a scenario against such an attempt.

Asked if there still exist NATOist scenarios about an attack from the north, Kharalampopoulos said:

--Plans always exist, just as they do in all staffs. However, they have only theoretical value. The essential, fundamental thing is that which is decided by the political leadership which gives the order to the military for implementing plans. We have determined the threat. It is true and existing. It comes from Turkey. As concerns the danger from the north, we have made it clear that we face no such danger.

On the other hand, when Karamanlis was in Moscow in 1978 the then Minister of Foreign Affairs Averof stated during a relevant discussion in the Chamber of Deputies that we do not face any danger from the north.

The Scenarios.

One of the scenarios published recently: "Our northern neighbors have designs on Makedonia and are seeking an outlet to the Aegean. Mutual diplomatic moves are carried on. Diplomatic relations are broken off and our country is in a state of war. Hostilities have started. The Whites (the Turks), together with the Blues (the Greeks), are defending themselves against the Reds. Since the Whites cannot themselves resist the attack we go to their assistance."

This scenario has caused reactions from the Left which charged that "the existence of such NATOist scenarios calling for a joint Greek-Turkish action

against Bulgaria and revival of the presumed danger from the north is one more proof of our Armed Forces' commitment to NATO's strategy, thus neglecting the real dangers to our country.

As Kharalampopoulos has said again and again in recent years, Greece will not participate in NATO's maneuvers in the Aegean as long as Limnos [Island] is excluded from its scenarios.

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CSO" 3521/79

COMMENTS ON GOVERNMENT'S 'ARTEMIS-30' DECEPTION

Athens I KATHIMERINI in Greek 19 Feb 87 p 4

[Article by Columnist "E": "On Arms"]

[Excerpts] "Artemis", the anti-aircraft gun which started its inglorious career in the 25 March 1985 parade, is in the news again...A few days later [after the parade] on 4 April, I published in this column a translation from an article about this Greek "miracle". [It said]

"On March 25 the Greek Arms Industry [EVO] unveiled the "Artemis-30", a new anti-aircraft gun it tried to sell to Libya. The gun is an imitation of the West German "Gepar" and is virtually made from West German materials. Its cannons are "Mauser" made, its ammunition is made by "Diehl", its base is manufactured by the Kouka factories, and its sophisticated computerized radar is a product of the Zemens Company. The only Greek parts on the vehicle are the tires, the paint job and its reassembly. The problem the Greek government faces is that it cannot sell to third parties various patents..."

As is the case almost always when a fraud is revealed, no appropriate official comes forth to give some explanation, or an answer or denial about any inaccuracies or exaggerations or even to offer some believable or unbelievable excuses.

Not a word! Silence and optimistic belief that the Artemis-30--Greek counterfeit--will be forgotten. And it was forgotten until 2 days ago when the whole issue came to public attention again. We did not have the opportunity to follow the progress of Artemis-30 these past 2 years or how from being so sufficiently ready as to take part in the 25 March 1985 parade it is now undergoing tests at Kymi, at a new plant which cost 1 billion drachmas and whose sole mission is to produce the Artemis-30 gun.

"According to reliable information," we read in yesterday's newspapers, "the staff officers of the Armed Forces have proposed the procurement of Swiss anti-aircraft 'Erlikon' guns and American Harpoon surface missiles. The proposal was accompanied by the observation that the purchase of the above is necessary because of the delay in the anti-aircraft gun schedule EVO is making--the Artemis-30--that is."

Do you see how nicely and plainly they tell us things? How nicely and plainly EVO's new director St. Kambanis tells us that the Artemis-30 program will be completed but not in Kymi? EVO's new administration believes the continuation of the construction of the Kymi plant would have catastrophic results for EVO.

Two more years may pass and they may again proudly announce that the manufacture of a new gun is being planned--an anti-aircraft gun similar to Artemis-30. By then the EVO director will again have changed, the blame will be pinned not only on Vikendios Arsenis, but on St. Kambanis as well, and the new director, full of optimism, will announce the wonderful achievements of our industry...

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CSO: 3521/84

DETAILS, COMMENTS ON INDEBTEDNESS OF AIRCRAFT INDUSTRY

Government Reports, Figures Mentioned

Athens I VRADYNI in Greek 16 Feb 87 p 14

/Article by G. Trangas and Kar. Moraitis/

/Text/ The creation of an aircraft industry is now the dream of many countries. By overcoming a whole series of obstacles we here managed to set up the Greek Aircraft Industry (EAV) a few years ago. Unfortunately, however, the lack of planning and the ugly atmosphere in labor relations prevailing during its operations resulted in a drop in production and the accumulation of debts that are progressively increasing year by year.

As those who make an in-depth study of our economy foresee, if this decline continues in coming years, by 1995 it will owe about 800 billion drachmas (!), a fact that will constitute a severe blow to the Greek economy itself. Nevertheless, it is very doubtful if it will continue operating under such dramatic conditions, indeed, when we are in danger of appearing inconsistent in our agreements with other countries. Besides this, the support of our air force which is scheduled to be equipped with ultramodern aircraft will become a problem.

The major government opposition party has often noted in the Chamber of Deputies the disorganization prevailing in EAV's operations. There are clear and specific charges coming from many sides that EAV is going from bad to worse.

As is well known, stockholders in the company are the Greek state (87.32 percent) and ETVA /Hellenic Industrial Development Bank/ (12.68 percent).

Quite a few problems have been noted since the time when cooperation with well-known foreign companies began, namely Lockheed, General Electric and Westinghouse. Thus, the cost of the first installation rose to 360 million dollars, three times more than had been estimated. Some 62 percent of the cost involved permanent installations, 26 percent technology transfer and 12 percent personnel training. In 1981 and 1982, EAV invested 1 billion drachmas for the purchase of equipment for construction purposes. From 1983 until now, investments were relative low, approximately 800 million drachmas, and involved expenditures for improvement and replacement of existing equipment which is of high level quality. Present building installations cover 103,000 square meters.

Up to now, EAV's main customer has been our air force that takes 60 percent of its production. Production is measured in man-hours. The cost of one man-hour is at present 5.150 drachmas for the air force, while it fluctuates around 30 dollars for work for customers abroad. Overall revenues in 1985 came to 8.7 billion drachmas and they are expected to reach 10 billion drachmas in 1986. Personnel comes to 3,173, a figure that has not changed since 1981.

The most significant problems faced at present by EAV are the following:

1. The monetary and financial problem, given the fact that remaining unpaid loans came to 77.2 billion drachmas at the end of 1985 and there is a real possibility that they cannot be paid up by EAV alone.
2. High costs and the relatively low productivity and competitiveness of the company.
3. The need for finding new markets and determining the future course and organization of the company.
4. The settlement of personnel issues (surplus, wage scales, labor relations).

As Problem Company Committee members have pointed out to high-ranking government officials, the rapid increase in monetary and financial expenditures during the 1981-1985 period is primarily due to the unfortunate development in the parity of the drachma.

In 1985, monetary and financial expenditures rose to 10.5 billion drachmas that constitute over 50 percent of overall expenditures. Everything shows that this situation will worsen in coming years. EAV finances over 85 percent of its needs in capital with loans and it is here where the firm's problem lies. It has succeeded in getting some favorable reaction from its creditors. However, the extension of loans requires large sums for the payment of interest and commissions without definitively solving the problem.

According to reliable estimates, based on the firm's present financial data, by 1995 the firm's required loans to cover the deficit in amortization and investments will come to 210.4 billion drachmas, while the remaining unpaid loans will come to 580 billion drachmas.

All who have studied its finances are of the opinion that the present EAV, in its present operating structure, is incapable of paying off both its current obligations and those that it is expected to accumulate in the future. This is natural because the disproportionately high principal and interest rates came about from the significant excess in the amount of the original investments as well as the erroneous tactic in resorting to loans for almost all its relative financing needs.

Logically, the company cannot be required now to absorb in its costs these high monetary and financial expenditures.

Those in the know are saying, however, that the inability to pay off debts is also due to the fact that EAV's operating costs are at present high and leave little or no margins for profit. Indeed, sales dropped after 1981 with serious consequences.

According to data provided by the government, the only prospects for some improvement in EAV's situation are the following:

1. The new work load that will lead to an increase in the production of, and mainly the sale of, man-hours that could come from four types of activity and groups of customers:
 - a. Servicing and repair of aircraft equipment for domestic customers.
 - b. Manufacture of electronics equipment for domestic customers.
 - c. Construction of aircraft equipment within the context of offsets advantages.
 - d. Servicing and repair of aircraft equipment for foreign customers.

The first activity relates to the armed forces, Olympic Airways and possibly Cyprus Airways. The armed forces, army, navy and air force, are already sending the majority of their aircraft to EAV for maintenance work. Each service, however, has its own repair facility center (with the biggest being, of course, the KEA /State Aircraft Company/) where a large number of aircraft are also serviced. This means that sums of money are spent for comparable investments and personnel expenditures, while EAV has the infrastructure and capability to absorb a greater work load from the armed forces.

It is possible, according to informed sources, that each armed forces service might want to have its own repair facility center that comes under its jurisdiction and that it can better control. It is also possible that the view prevails that EAV will become more active on the international market and consequently there will be no need for it to increase its work load made up of domestic customers.

The above views must not be considered as fact but, to the contrary, must be re-evaluated. Issues must be confronted all together by the task force with participation of competent authorities with the goal being to find solutions at the smallest cost to the national economy. It could well be that some new plan could be envisaged whereby EAV would gradually assume a greater work load. This would also help its finances (domestic prices are higher than corresponding ones abroad) and would lessen the need for new investments. Unfortunately, the impending finishing touches to the reactivation of KEA (that, course, must now hold on to its existing work load) does not permit decision-making for immediate changes in planning and significant cuts in investment outlays. Nevertheless, the issue deserves careful study so that a more rationalistic plan might be made as well as the greatest possible savings.

As for Olympic Airways (and Cyprus Airways), the situation, according to the same sources, is as follows:

These companies, just as all other such companies, send their aircraft engines for repair and servicing, that is what they do not do themselves, to the engine manufacturing companies. This assures them of guaranteed quality work and very short turnaround in completion of the work, very important factors for a company. EAV can very well assure satisfactory quality in its work on most of Olympic Airways' aircraft engines, given the fact that it is already servicing similar military aircraft engines that differ from the Olympic Airways engines only slightly. Where EAV falls behind is time of delivery of engines, given the fact that it has not organized its production line procedures in a way where it can complete the servicing cycle in a very short period of time. This appears to be the major reason why Olympic Airways continues to send its engines abroad for repair. This practice, however, means an outflow of foreign currency amounting to approximately 500 million drachmas a year and it must be re-examined. Moreover, EAV is in a position to succeed in achieving the required short delivery time for Olympic Airways' engines since it has agreed with Olympic Airways on setting up the infrastructure (for example, a special team for special cases).

Government officials must be supportive of the effort to have both EAV and Olympic Airways begin negotiations shortly in the direction of closer cooperation that is both attainable and desirable from the standpoint of savings in foreign currency. Of course, one asks what they have been doing all these years?

EAV's organization as a passenger aircraft engine repair facility center could in the future bring it some work load as far as Cyprus Airways is concerned and possibly other neighboring country airline companies (for example, Arabian airlines). However, new problems have cropped up even in the international market.

Weak Competitiveness and Increasing Interest

According to evaluations by competent government officials, EAV will have to pay a sum of approximately 3 billion drachmas this year, a sum that must gradually increase with the increase in its work and a decrease in its operating costs. The state will have to undertake paying for the remaining interest and principal through the regular state budget, something that will equally increase the firm's capital stock. It is estimated that over the next 4 years the state will be called on to pay for the settlement of EAV's monetary and financial problem, a sum that will range from 18 to 21 billion drachmas a year.

The same sources point out that EAV's competitiveness remains at a very low level and if it pays off at least 2-3 billion drachmas a year in interest and principal, then the man hour cost will then go from 6.200 drachmas to 6.900 drachmas, in other words a sum much higher than the realistically hoped for sales of a man hour. Ugly labor relations prevailing in EAV during the time PASOK has been in government is yet another reason for low productivity. There have also been cases where technicians have left and found better working conditions in companies doing similar work, such as Olympic Airways and the air force.

It is, nevertheless, believed that such departures will not assume large proportions but will be checked through the improvement in labor relations and the establishment of a unitary pay scale. It is a fact that there are big pay and grade inequities.

It is a fact that in the last 2 years EAV's management has extended its efforts in many areas so as to succeed in finding the best organization for production, a decrease in general expenses, an increase in productivity, with the final goal being a decrease in costs and an increase in competitiveness.

These endeavors have produced certain positive results but they must be continued and greatly intensified because EAV is drowning in over-indebtedness.

Certain government officials concerned with problem firms have suggested a limitation on general expenditures. They have also pointed out that there are superfluous workers there. In their reports they have noted that "the firm is characterized by expensive operations and high general expenditures."

Moreover, they have also noted that what is needed is exact cost accounting practices, particularly with regard to new construction programs, something that has special importance in view of EAV's assuming such important programs within the context of offsets with regard to the new fighter aircraft that we will procure.

Skepticism About Recovery

Athens I VRADYNI in Greek 17 Feb 87 p 8

/Article by G. Trangas and Kar. Moraitis/

/Text/ EAV's debts will rise to 800 billion drachmas in 1995. This fact was noted in government reports that analyze the causes of its problems and the prospects for meeting its huge debts.

Yesterday, I VRADYNI published revealing data on the situation prevailing in the Greek Aircraft Industry (EAV).

Today, we are publishing the second part of our survey that is based on data from government reports.

Unfavorable relations between technical and support personnel and technical and administrative personnel reveals that another big problem for EAV is its excess personnel. As noted in the government reports, with its present operations and production level, a significant number of EVA employees is considered as surplus and, according to certain estimates, number over 400.

Specifically, with the present number of personnel (1,345) the company could have a production that would reach 2,174,000 man-hours. EAV's production program, however, does not go beyond 1,863,000 man-hours, something that means that there are 311,000 man-hours undisposed of which are converted into 193 surplus technical employees. If one adds to this figure support personnel then the number that is considered surplus --on the basis of estimates by government officials--is over 400.

EAV is going from bad to worse. Nevertheless, as noted in government reports, it wants to get many construction programs within the context of offsets advantages not because it expects financial benefits from these programs as such but rather to use them as a basis for more intensive operations in the construction field and grounded on the following theoretical arguments:

1. For a firm to get into the aircraft construction international market it needs indispensable references. Construction work within the context of offsets advantages can provide such references.
2. For EAV to develop construction plans further it, one way or another, needs large new investments. Construction work within the context of offsets advantages provides for a basic work load for even a partial amortization of its investments.
3. With the knowledge acquired from this construction work EAV would be able to propose regular co-production at the time of the next big purchase of military aircraft that is reasonably expected in a decade.
4. Knowledge acquired from construction work helps very much in subsequent servicing work.

Despite the correctness of the above arguments there are --according to those who know the situation--also the following points that must be particularly watched:

1. EAV has not completed its organizational structure and its endeavors for improvement and productivity so that it might be altogether prepared to successfully develop its construction field. The offsets advantages come at a time not chosen by EAV but imposed by conditions.
2. There is strong scepticism among officials outside EAV who are involved in the issue of offsets advantages regarding the capability of the firm in bringing about at the very same time both program "packages" (French and American). EAV insists that it is in a position to do so and thus negotiations are continuing at the same time for the overall programs. The fact remains, nevertheless, that in case of a positive conclusion of the negotiations and assumption by EAV of a large number of programs at the same time, the firm would be under strong pressure to stand up to its obligations and would be in danger in being led into taking chances if something does not come out well.
3. Negotiations for various programs are particularly tough and the construction companies are in a relative position of "strength" that is strengthened by the fact that orders for aircraft have already been given and discussions on the offsets advantages are being held "a posteriori." Thus, the terms on which EAV had based its techno-economic studies are in danger of being upset during the negotiations with the result being a big increase in costs.

It is clear--the sources say--that the offsets advantages, as they are expected to be implemented, will have some financial cost for EAV and an ever bigger cost for the state that even in an ideal case is called upon to assume the cost of indispensable investments which are estimated to be 415 billion drachmas.

It is clear that EAV's objective has great developmental and strategic significance and, of course, an appraisal of its operations must not be made only with strict economic criteria. On the other hand, however, in a period of insufficient financial resources, a clear knowledge of the cost of every new operation is required and an effort must be made to remain flexible with regard to "unpleasant" surprises such as the one with regard to the cost of the first EAV installation that surpassed every estimate and that created huge and insolvable financial and monetary problems.

EAV must, therefore, be called on to present, both with regard to the overall programs coming under the offsets advantages as well as for every other program under negotiation, complete economic studies where the overall burden, both direct and indirect, on the state would be clearly shown in "ideal" and "realistic" situations. Situations that could be referred to as "realistic" ones would be those such as the following:

1. Possible decrease in the work load for every program proposed by construction firms and that is revealed from the negotiations.
2. The learning curves that will fluctuate at the same levels as construction programs that have already been undertaken will, in other words, remain relatively high with evident effects when there will be need for utilization of more personnel and their corresponding training.
3. Production that will not increase in time to the desired level.

Government reports note that the problem with international market programs is that there are not that many and competitiveness is most intense. It should be pointed out that for a given program to yield financial results the critical element is not only the man-hour price but how many man-hours are required and this perhaps constitutes one of EAV's weak points because it is often late in completing new programs. Also, its productivity is low because it does not have the required technology and is still in the learning stage.

As far as servicing is concerned, on a medium and long-term basis, the trend is for a decrease in the possibility of finding customers since more and more developing countries as well as Third World countries (for example, India, Indonesia and Turkey) are acquiring their own repair facilities by working with big manufacturing companies. An additional problem that has recently cropped up is the involvement of manufacturing companies in bidding for servicing work, something that increases competition.

The servicing of 80 U.S. Air Force aircraft engines is a good program that will provide some work load for a 5-year period since the outcome of negotiations is satisfactory for EAV. If this program is lost there is unfortunately no other one of comparable size on the market.

The recent 10-year program sets forth anticipated work loads for servicing of foreign aircraft (except the U.S. Air Force) that gradually increase from 17,000 man-hours in 1987 to 447,000 man-hours in 1995. Also mentioned is a number of possible customers. This development is quite optimistic and must be considered as a goal rather than a realistic scenario. Of course, with regard to servicing

EAV has already acquired significant technical know-how and specialization in certain fields.

As for construction work, expectations and estimates are still more difficult given the fact that EAV does not yet have the proper technical know-how and equipment that it is expected to acquire once the offsets advantages of the new fighter aircraft are implemented.

The 10-year program also sets forth anticipated work loads for the period 1992-1995 (i.e., after the end of the offsets advantages) on the order of 400,000 man-hours. Here too the observation is made that this is more an optimistic goal rather than a realistic scenario.

Experience shows that construction work programs are being given to EAV by big construction companies either within the context of offsets advantages or through some ulterior trade considerations for future sales. It is also logical that a manufacturer will give to another small firm parts that he himself does not want to build either because it is a difficult task or else because the other firm would do it more cheaply. In other words, in principle, these are not cases where EAV would expect to acquire considerable financial benefits. Of course, the hope remains for participation in partnerships and co-production but these are matters that are not yet in sight and that require both political will and state involvement.

According to those who know the situation, taking all of the above observations into account one can come to the conclusion that EAV's becoming actively involved in foreign markets presents great difficulties and uncertainty and it cannot logically be expected to bring in significant profits.

5671

CSO: 3521/86

OFFICIAL U.S. CARS' SWITCH TO GREEK PLATES PROTESTED

Athens I AVGI in Greek 21 Jan 87 p 11

[Article by Argyris Demertzis: "In the Past Six Months, 10,000 American Vehicles for Private Use Have Obtained Greek... 'Citizenship.' Yet They Have Neither Paid the Circulation Fees Nor Obtained Insurance. The Office of the Greek Representative on the Bases Denies 'Jurisdiction.'"]

[Text] All of the approximately 10,000 American private and service cars connected with the bases (Hellenikon, Nea Makri, Suda in Crete, etc.) are circulating with Greek license plates. A little research by AVGI on this matter has shown that:

1. About 10,000 vehicles are affected. Greek circles on the bases call them a "public danger" since their American drivers, if they cause damage or injury, are covered with great ease in court by special laws. In addition, the approximately 2,000 American service cars are uninsured.
2. The vehicles' owners are exempt from paying taxes and circulation fees to the Greek government that amount in all to tens of millions of drachmas annually.
3. The measure to change the license plates was implemented in stages over the past six months, after a strong demand made by the American authorities to Greece's Services of Security and Public Order. It is noted that, particularly in recent years, the "anti-American wrath" of certain marginal political circles was frequently being expressed by the bombing, burning, etc, of American cars.

An additional view expressed is that this "special" measure is linked to an effort to make the American presence among Greeks more "discreet," doubtless in view of the renegotiation of the bases' status by the Greek and American sides.

An authoritative official from the Ministry of Foreign Affairs told us that extraterritoriality does not apply to Americans who commit criminal acts and that the Greek side has "primary jurisdiction," unless the accused was found in "the line of duty," something that is examined by a mixed Greek-American committee.

As for the exemption from fees, the same official said that it was arranged by the governmental agreement of 1983 in accordance with the spirit of the original agreement that provided for Greece's entry into NATO.

An American side is clearly being mobilized by its embassy in Athens to protect persons accused of committing wrongful acts in Greece. As has been observed, in every case the Americans submit suggestions to the Ministry of Justice and the mixed Greek-American committee, maintaining that the accused was found "under orders" when breaking the law. Therefore, in accordance with the governmental agreement and the provisions about being "in the line of duty," the accused are set free by the law of extraterritoriality.

An official who follows events about the bases specifically mentioned to us that recently (8 January) the trial of four Americans was adjourned, legally and justifiably of course, but the fact of the matter is, he maintains, that the Americans had not managed to set in motion the procedure for extraterritoriality.

We asked the spokesman for the Greek workers on the bases, Mr G. Alexandrou, about all this. He said that the change in license plates and the exemption from circulation fees prove that the laws of "colonial rule" that the Americans apply in Greece are a provocation against Greek workers and drivers. "The Americans don't even pay the toll," he said specifically.

Based on his experience, Mr Alexandrou said that the Americans drive "dangerously" and many times under the influence of alcohol... In all cases of wrongful acts, however, even against workers during mobilization, the accused were set free after pressure to apply extraterritoriality.

Also noteworthy is that the office of Brigadier General Pelekanakis, Greek representative on the bases, denied to us that it had jurisdiction over the matter of circulation of the American vehicles.

An officer of the Security Policy of Glyfada, who also have jurisdiction over the Americans on Hellenikon, told us that in the last six months no cases of destroyed American cars have been reported, a fact that of course is not necessarily attributable to the change in their license plates.

The same officer observed, however, that in the past such cases were reported most frequently.

It is also known that Americans repeatedly caused incidents at the expense of Greeks, primarily at entertainment centers in Glyfada.

It must be noted that the Americans have their own police, whose patrols constantly check the areas where they circulate and hang out.

12570/12948
CSO: 3521/81

MILITARY PAY RAISE VIEWED WITH DISSATISFACTION

Lisbon O JORNAL in Portuguese 13-19 Feb 87 p 4

[Text] The government has already approved the new Armed Forces salaries for 1987, having determined an 11.5-percent wage increase, to be paid at the end of February, retroactive to 1 January.

According to a source in the Defense Ministry, "there will be no further wage adjustment for the military this year; it is not even contemplated in the state budget approved for 1987.

"This 11.5-percent increase will apply to all military ranks and is the same as that approved for civil servants in Public Administration," the same source told O JORNAL.

From what we could learn, the commission created by the Finance Ministry and headed by Professor Sousa Franco, president of the Court of Accounts, to study a wage readjustment for Public Administration "is still in the first phase of its proceedings" and no action is expected this year.

Unhappiness

Meanwhile, an unsigned document has been circulating in units of the three branches of the Armed Forces, defending the readjustment of military wages this year and claiming that failure to approve it is an "injustice."

The position expressed in the document is based on the discrepancies which have been registered for several years between Armed Forces salaries and those of other sectors of the Civil Service; specifically, magistrates and teachers. The indirect announcement, this week, of the salaries for general directors has even further intensified the ill feeling among the military.

The readjustment to which the document refers was recommended in a proposal presented about 6 months ago by the Armed Forces chief of staff to the government; its application would result in a real increase of about 30 to 37 percent.

6362

CSO: 3542/55

ARMED FORCES RE-EQUIPMENT ALLOCATIONS

Diabon DIARIO DE NOTICIAS in Portuguese 7 Feb 87 p 2

[Text] The government proposes to allocate 37.6 million contos for reequipment of the Armed Forces between 1987 and 1990, according to a draft bill now under consideration in the Parliamentary Defense Committee.

About 11.5 million contos and \$126 million would be allocated for reequipment programs in progress and 8.4 million contos would be spent on infrastructures.

The sources of funding for these allocations include not only the state budget but also the obligations of other countries, pursuant to bilateral defense treaties.

According to its foreword, the draft bill reconciles the need to reequip the Armed Forces with the policy of medium-range budget discipline pursued by the government, which has given priority to public expenditures on investments.

The Armed Forces reequipment program has the following priorities:

--Completion of the system of forces destined primarily for the Azores and Madeira, bearing in mind the programs in progress with regard to these archipelagoes and the mainland;

--Support for the basic infrastructures of the Army, Navy and Air Force;

--Support for the sustenance of the existing forces in critical areas of primary priority;

--Programs which, by their essential and basic nature, are contemplated immediately, although their completion will extend beyond the period in which the present law is in effect.

6362

CSO: 3542/55

BRIEFS

FOIA RADAR STATION--The groundwork for construction of the Foia radar station will begin soon, a well placed source informed O JORNAL. The installation of the Foia radar station, in the Algarve, is part of a NATO program for renovation of the aircraft warning and detection system on Europe's southern flank. The Portuguese part of this program, which should extend to 1990, represents an investment of more than 15 million contos, financed by the Atlantic Alliance. Our radars are technologically obsolete and signals are easily "scrambled." Nonetheless, during the U.S. raid on Libya, they detected the passage of the F-111 planes over the Portuguese coast. The modernization of the detection system will make the need for new interceptor aircraft more immediate. The Air Force is currently equipped with A-7 planes, for naval air operations, armed with Sidewinder missiles. The installation of the new military radar system is linked with a parallel civil program. The two systems are integrated, complementing each other for the two purposes. Meanwhile, Portugal has bid on the contract for maintenance of the new radar station which will serve NATO's southern flank and the indications are favorable that Lisbon will win the contract. [Text] [Lisbon O JORNAL in Portuguese 13-19 Feb 87 p 40] 6362

CSO: 3542/55

POLL RESULTS SHOW MAJORITY WISH CLOSURE OF U.S. BASES

Classification, Reasons of Respondents

Madrid CAMBIO 16 in Spanish 9 Feb 87 pp 28-30

[Text] Half of the Spanish people want the bases currently housing the American forces in Spain to be closed. The majority of the population are of the opinion that retaining these installations, as the United States wishes, is detrimental to national security and defense.

If it were up to Spanish citizens, Maximo Cajal and Reginald Bartholomew, the direct managers of the Spanish and U.S. delegations negotiating on the future of the jointly used military bases, would have little to discuss; because even the Spanish negotiators' softer position toward the American obstinacy in not moving a single soldier has proven too inadequate in the view of over half the population.

According to a poll taken by Sociological, Economic, and Political Analyses, Inc, among a sample of 1,200 interviewees regarding national security and defense, 48 percent of the population thinks that the best solution for the dispute that is giving Felipe Gonzalez' government so many worries after his pyrrhic victory in the NATO referendum would be none other than to close the bases. The reason for this drastic decision is merely the more than widespread belief that the presence of these installations on Spanish soil entails harm to the national security and defense. The hostile stance of the anti-NATO forces which, on so many occasions, brought demonstrations to the very gates of Torrejon or Zaragoza, has found major popular support here. Hence, it is not surprising that the new marches announced to demand that the government keep its referendum commitment concerning the bases will be heavily attended.

The opposition to the bases is so widespread that the government itself might have problems with popular support even in the event that it were to attain all its goals at the negotiating table. Moncloa's idea that "it would be a real waste for the national economy, and so we cannot afford to do without those installations" is not at all shared by the citizenry. In this matter, the government does not seem to be guided by the polls, but rather appears to be swimming against the tide. And it is the experts' opinion that, in this respect, the government is opposed to all those who cast their "no" vote at

the polls on 12 March, and to some of those who cast a "yes" vote or remained at home; as if there were an unsuppressed desire to take revenge for the defeat in the NATO referendum now, with the bases.

This decision is quite clearcut among men up to age 30, of the middle or upper class, who vote in the general elections for leftist or left of center options. As the age rises among those polled, there is an increase in the number of those deeming it more feasible to reduce the presence of American troops and personnel, or to retain the installations, though with more authority for the Spanish forces. But, nevertheless, not even among the oldest sectors of those who want to appear more thoughtful regarding the issue is there a majority who want a solution other than locking the doors of the bases. If there should be, "something that occurs mostly among those over age 65," the ones who don't know or have no answer are in the majority.

On the other hand, it is among those polled who describe themselves as being right of center or of the right that one finds the largest number in favor of keeping the bases with their doors open and their installations operating; although, in return, the Americans would have to offer the Spaniards greater compensation or simply, as the government has requested, their presence would have to be reduced.

Underlying this anti-base notion there is a conviction that, contrary to what its defenders claim, the American presence in the Spanish installations is more of a risk factor than one of defense for national security (53 percent of those polled).

This position is shared to a greater or lesser extent by all segments of the population, with the sole exception of those with a very high social status, among whom there is a strong controversy regarding the issue. And, in this stance, the attitude of the youth and among the left and left of center voters is completely militant. In all these instances, the percentage of those regarding the bases as a threat to the nation far exceeds 60. In what is viewed as the center, 50 percent of those polled share the foregoing idea. The picture changes radically in the right and right of center spectrum, where there is a sharp controversy, with "two almost equal halves" shared by those who opt to tell the pollster that they "approve of" the bases and those who respond that the bases "are harmful."

The data from the ASEP poll offer a clearer perspective than that given by the traditional anti-U.S. sentiment of Spanish society. A unique feature of the probe is that it destroys to some extent a never sufficiently proven belief that there is no concern among the population over issues related to national defense and security. Now then, 53 percent of those polled think that these matters are extremely important to Spain, and no more than a fifth of the population is in the group which believes that these issues have little or no importance.

The assurance that crops up in the responses when it is time to consider the importance of the issue disappears when those queried are requested to list

spontaneously, based on their opinion, the factors that could threaten national security and the defense of the national territory. The first thing that is noted is that more than a third begin by failing to answer or express their ignorance in this regard, and 10 percent see no problem that could harm the national security. Excluding this group, greatly varied causes are cited by the remaining 52 percent; so that none of them receive a high percentage. Nevertheless, according to the data procured, it may be inferred that ETA terrorism and the hypothetical threats that could come from North Africa are the focal points of insecurity most disturbing to the nation: they are mentioned by similar percentages, 6 percent, and, in separate responses, Morocco and Ceuta and Melilla are cited.

If there is any surprising information in these replies it is that 4 percent of those interviewed think that there is a possibility of a coup d'etat in Spain, and include it as a response in the section regarding the potential threats to national security. Although the percentage is not very high, it does appear more marked than one might have inferred from the constant official statements to the effect that "the fear of a coup d'etat has disappeared."

In this section one also notes an apparent contradiction with the previous ones. Whereas, when it was questioned about the effect of the bases on national defense, the population's statement was clearcut about their being damaging (53 percent), when the same persons were asked to state on their own and without regard for a previous questionnaire, what threatens national security, only a very small percentage (2 percent) recall the controversial bases.

In this matter, the Spanish Government appears to be seriously caught between a U.S. Government which, in round after round of negotiation, has shown its very obvious determination to haggle over the last American soldier detailed to Spain and a citizenry waiting for it, after the NATO referendum, to dismantle the bases and take them far from the cities; without Americans inside, "of course"!

Feelings Contrasted With Knowledge

Madrid CAMBIO 16 in Spanish 9 Feb 87 p 30

[Article by Juan Diez Nicolas, full professor of sociology at Alcala de Henares University: "Public Opinion and National Security"]

[Text] The Spanish public has traditionally been little informed and little concerned about issues of international policy or international relations; and, as a result, about matters of national security and defense. In all countries, the public is generally better informed on matters of domestic policy than on those of foreign policy.

But this situation seems even more severe in the case of Spain owing, among other reasons, to the non-participation in both World Wars and the relative isolation from European international policy during the past few decades.

Importancia que tiene para España las cuestiones de seguridad y defensa

(1)	%
Mucha (2).....	53
Alguna (3).....	19
Poca (4).....	10
Ninguna (5).....	6
No sabe, no contesta (6).....	12
Bases hispano-norteamericanas y seguridad y defensa nacionales (7)	
	%
Las bases favorecen la seguridad y defensa nacionales ... (8)	12
Ni favorece ni perjudica (9).....	11
Perjudica (10).....	53
Depende (11).....	13
No sabe, no contesta (6).....	12

Motivos que podrían amenazar la seguridad nacional y la defensa del territorio español (12)

	%
Ninguno (5).....	10
Terrorismo (ETA) (13).....	10
Guerra mundial (14).....	6
Marruecos (15).....	6
Ceuta-Melilla (16).....	6
URSS-USA (17).....	6
Golpe de Estado (18).....	4
OTAN (19).....	3
Bases militares (20).....	2
Gibraltar.....	1
Paro (21).....	1
Otros (22).....	12
No sabe, no contesta (6).....	38

NOTA: La suma de porcentajes es superior a cien por admitirse más de una respuesta. La pregunta era abierta y, por tanto, las respuestas, espontáneas.

QUE HACER CON LAS BASES

(23)	%
Cerrarlas (24).....	48
Reducir la presencia de tropas USA (25).....	13
Mantenerlas con más competencia española (26).....	18
No sabe, no contesta (6).....	22

Key to Charts 1-3:

1. Importance of security and defense issues to Spain
2. Much
3. Some
4. Little
5. No
6. Don't know, no answer
7. Spanish-American bases and national security and defense
8. The bases benefit national security and defense
9. Neither benefit nor harm
10. Harm
11. It depends
12. Causes that could threaten national security and defense of Spanish territory
13. Terrorism (ETA)
14. World war
15. Morocco
16. Ceuta-Melilla
17. USSR-U.S.
18. Coup d'etat
19. NATO
20. Military bases
21. Unemployment
22. Others
23. What to do with the bases
24. Close them
25. Reduce the presence of U.S. troops
26. Keep them with more Spanish authority
27. Note: The sum of percentages exceeds 100 because more than one answer was allowed. The question was open and hence the responses were spontaneous.

This lack of understanding (information) and the explanations cited appear to be a common occurrence in most of the polls taken in Spain during recent years, underscoring the slight concern among Spaniards (in comparison with the citizens of other European countries) over matters of national security and defense.

Now then, the theory on the formation and change of social attitudes seems to have proven, substantively, that the logical, rational process whereby individuals manage to form their opinions follows the pattern: knowledge-reflection-evaluation. But when the individuals lack knowledge, and yet are asked to form their opinion, they tend to acquire that knowledge in conjunction with the evaluation provided them by the informant.

In other words, when the public is little informed on a social matter (in this instance, the issues of security and defense), it can more readily be moved by arguments appealing to its feelings and emotions than by those appealing to its capacity for reflection.

And this is exactly what appears to be happening in the case of the national security and defense issues. In fact, from 1960 until 1980-81, the Spanish public was more approving than disapproving of Spain's entry into NATO, as shown by most of the polls taken during those years. But not only was the anti-NATO campaign sponsored by the leftist parties, including PSOE, one of the main factors contributing to PSOE's electoral victory, but it also caused a radical change in public opinion toward NATO which, from that time on, was mostly opposed to Spain's membership in that organization.

In 1986, when the Socialist government was faced with the challenge of the NATO referendum, the calling of which it had decided itself, it sponsored a pro-NATO campaign in which, among other arguments, it promised, in return, (more or less explicitly) to reduce or even eliminate the bases being used jointly by Spain and the U.S.

Upon winning the referendum, contrary to all predictions, the government solved the problem (which it had to some extent helped to create), and brought up another one, that involving the reduction or elimination of the jointly used bases. Hence, it is not surprising that the data from the report accompanying this commentary show the existence of a public which now accepts Spain's membership in NATO but which seems definitely in favor of closing the bases. In this connection, stress should be placed on the enormous contrast between the opinion of those with the highest social status (the better informed social "center") more in favor of NATO and the bases, and that of those with the lowest social status (the less well informed social "periphery"), more opposed to NATO and the bases.

The government should by now know something about this public opinion obviously hostile to the bases and it should have some concern, when its highest-ranking officials have just recently taken special pains to warn about the enormous cost that closing them would entail for Spain; even asserting that, if the Americans should stop using them, the bases would continue to be Spanish military bases.

(1) **ALTERNATIVAS A LAS BASES DE UTILIZACION CONJUNTA (en %)**

	(4)	(2) EDAD				(3) IDEOLOGIA (12) (13)				
	Total nacional	Menos de 30 años (6)	De 30 a 49 (7)	De 50 a 64 (8)	Más de 65 años	Izquierda (9)	Centro izquierda (10)	Centro (11)	Centro derecha	Derecha
Cerrar las bases ... (14).....	48	61	47	40	43	68	64	43	25	28
Reducir la presencia de tropas USA ... (15).....	13	14	14	11	11	13	17	16	20	13
Mantener las bases con más competencia española . (16)	18	16	19	23	10	9	13	22	34	43
No sabe, no contesta ... (17)...	22	10	21	27	36	10	7	19	21	17

(18) **EFFECTO DE LAS BASES HISPANO-NORTEAMERICANAS SOBRE LA SEGURIDAD Y DEFENSA (en %)**

	(4)	(2) EDAD				(3) IDEOLOGIA (12) (13)				
	Total nacional	Menos de 30 años (6)	De 30 a 49 (7)	De 50 a 64 (8)	Más de 65 años	Izquierda (9)	Centro izquierda (10)	Centro (11)	Centro derecha	Derecha
Favorece ... (19).....	12	10	12	15	10	6	7	10	26	34
Ni favorece, ni perjudica .. (20).....	11	12	13	8	7	9	11	18	13	13
Perjudica (21).....	53	66	52	47	44	70	71	50	29	36
Depende (22).....	13	6	14	14	20	7	7	12	14	10
No sabe, no contesta ... (17)...	12	6	10	15	20	7	4	10	18	8

Key to Charts 4-5:

1. Alternatives to the jointly used bases (in %)
2. Age
3. Ideology
4. National total
5. Under age 30
6. From 30 to 49
7. From 50 to 64
8. Over 65
9. Left
10. Left of center
11. Center
12. Right of center
13. Right
14. Close the bases
15. Reduce the U.S. troop presence
16. Keep the bases with more Spanish authority
17. Don't know, no answer
18. Effect of the Spanish-U.S. bases on security and defense (in %)
19. Benefits
20. Neither benefits nor harms
21. Harms
22. Depends

Technical Record:

Sample: 1,200 interviewed in domiciles of persons aged 18 or older. Field work: from 8 to 19 December 1986, by the Emopublica system. Implementation: ASEP, Sociological, Economic, and Political Analyses, Inc.

2909

CSO: 3548/50

GENERAL COMPLAINS OF LOW STATE OF COMBAT READINESS

Stockholm DAGENS NYHETER in Swedish 9 Jan 87 p 3

[Op Ed Article by Lieutenant General Carl Bjoreman, commanding general of Military Command South; first paragraph is DAGENS NYHETER introduction]

[Text] Our military preparedness is at a low level. None of the commanders in chief is currently able to furnish wartime units living up completely to the requirement that they be ready for action immediately following mobilization or an alert. That is the opinion of the country's commanding generals, writes Lieutenant General Carl Bjoreman, commanding general of Military Command South, as he sharply criticizes the work of the Defense Committee in this article. He writes: "You are arranging a poor defense decision, one that may be even worse than the 1982 defense decision."

What exactly are you up to on the Defense Committee?

We who are reduced to interpreting what is being written about the committee (FK-84) and what is being written and said by its individual members in the mass media have certainly made up our minds: you are arranging a poor defense decision, one that may be even worse than the 1982 defense decision.

It is precisely because of the 1982 defense decision (FB-82) that soldiers are entertaining such thoughts.

With some justice, FB-82 can be described as a turning point as far as realism in assessing the implications of the strategic and security situation is concerned. It required that our invasion defense be ready for action immediately following (a fast) mobilization and, moreover, that we be able, permanently and without warning, to take action in response to intrusions and shows of force--for example, if and when the big powers carry out exercises intended to convey explicit or implicit messages concerning power politics.

In turn, what that required in 1982--and requires even more now--was a substantial improvement in training results in our wartime units.

FB-82 provided neither additional funds nor any other measures making it possible to live up to that requirement.

It is the soldiers in their various capacities who are now seeing the concrete results of FB-82 in their daily lives. The most noticed result, naturally, is the lowering of basic training objectives and the fact that soldiers being called up for refresher courses are receiving "cancellation notices."

A less noticed result affecting other soldiers--commanders of regiments, air wings, and naval bases, for example--is the tough struggle to keep the initial readiness of their wartime units following mobilization or an alert as high as possible, which unfortunately is not always high enough.

The commanding generals (MB's) can see the following, among other things: none of the commanders in chief--whose job it is to produce wartime units for the operational commanders (the OB [supreme commander of the Armed Forces] and the MB's)--is able to furnish wartime units satisfying the requirement for readiness immediately following mobilization or an alert. Our generally very effective interceptor and attack squadrons--to take one example--have suffered from the much-discussed pilot resignations and must therefore devote themselves to providing basic training for new pilots to the detriment of unit training.

That is part of the reason why soldiers of various ranks are taking a critical interest in preparations for the next defense decision.

What is it in the mass media's picture of FK-84 that points to a repetition of FB-82's bad features?

1. The financial level.

All the parties are calling for less than what the cautious former OB regarded as a necessary level. But even he assumed that the current capability of our wartime units is acceptable (see OB 87-92 [Program Plan for 1987-1992], chapter 2). That assumption seems overly optimistic when it comes to offensive operations in connection with mobilization. Writing in SVENSKA DAGBLADET (7 September 1986), Hans von Hofsten accused the opposition parties of actually advocating a greater assumption of risk despite their declared intention to strengthen the Armed Forces. Although the additional funds they advocate may provide somewhat better air defense, a few more ships, and perhaps another interceptor squadron, that will not be enough to make up for 15 years of serious offenses. There is a lot to what von Hofsten wrote.

Naturally, it is not possible to make up for everything at once. The big danger with the low budgets, however, is that the defense decision will be "packed" with expectations of greater defense capability than the actual financial resources will allow. That is what happened in 1982. It must not happen in 1987.

2. A fixation on domestic conditions, chiefly economic levels and their material implications.

This means that analysis of external conditions and their implications is being neglected.

DAGENS NYHETER wrote in its editorial for 24 December 1986 that few people have taken Wilhelm Agrell's warnings about the changed situation in the Nordic Region to heart. Paradoxically enough, that applies more to the leading circles in Stockholm--including the defense politicians--than it does to ordinary people around the country, where the opinion exists that the changes must be taken very seriously and lead to specific although not dramatic measures. Although the probability of an outbreak of war is small, the big powers are increasing their ability--by means of exercises and so on--to threaten the Nordic Region and exert implicit military pressures on it.

We have a definite interest in seeing the big powers reduce their military presence in and around the Nordic Region rather than increase it, as they are doing now. That interest should be supported by a more impressive defense than that which exists now.

That fixation also means that the members of FK-84 who express themselves publicly always talk about a necessary replacement of materiel in the future--and such replacement is indeed necessary in itself--but they very seldom say anything about the need for improved training so as to get the maximum defense effect out of the good materiel we already have or will have in the next few years.

It can be said, of course, that the OB's program plan (OB 87-92) shows some of the same fixation. But that is no excuse. In comparison with a Norwegian counterpart entitled "Defense Study 1985," OB 87-92 looks more like a bloodless document on public revenue than anything else.

The Norwegian defense chief, General Fredrik Bull-Hansen, provides a very clear picture of the difference between "the defense we need and the defense we can have within the economic and other limits being placed on us." The importance of the brigades to effective defense is emphasized, but "Defense Study 1985" does not conceal the fact that units being mobilized may find it difficult to achieve effective command and sufficiently rapid response capability immediately after mobilization. Refresher courses every other year are recommended as the remedy.

3. Views on the possibilities for restructuring.

In this area, the preparations for FB-82 were dominated by the so-called death patrol. Its guiding idea was to cut back the peacetime organization in favor of the wartime organization. But that idea had at least two basic flaws. It ignored the connection between the peacetime and wartime organizations, and it directed its attention only to the local level. Structural problems cannot be solved with anything less than a thorough look at all activity and the entire organization. Despite that, a voice from FK-84 was heard this fall calling for a new death patrol. Have they learned nothing and forgotten everything?

It should be obvious that the wartime and peacetime organizations must be reformed as a unit. But that would also require a proper analysis of the need for various kinds of combat forces. Hans Lindblad, who is a member of FK-84 and who never misses an opportunity to shout that "the Army is too big!" would

then have a badly needed opportunity to really explain how large a ground force we need--including mobile assault units and units with stationary duties--to defend the entire country. So far he has avoided that question--hence the hollowness of his argument.

If PK-84 is to provide a valid basis for a good 1987 defense decision--good from the standpoint of security policy--some of the mental baggage being dragged around from 1982 will have to be gotten rid of. Although not all the shortcomings can be rectified at once, PK-84's analysis ought to provide the basis for a ranking of priorities that soldiers who will be responsible for the next few years can also feel a kinship with.

More equipment by all means, but first we need a real boost in training and preparedness!

11798

CSO: 3650/46

ARMED FORCES SET UP PHONE NUMBER FOR REPORTING SUB SIGHTINGS

Stockholm DAGENS NYHETER in Swedish 28 Jan 87 p 8

[Press Wire Services report: "Dial 90 000 For Submarine Hunt"]

[Text] Dial 90 000 and ask for "Submarine Hunt!"

This is the latest move in the defense department's battle against those intruders who operate under the military designation "foreign underwater activity."

The reason is that, on several occasions during 1986, it took a long time before the defense received reports of civilian sightings of suspicious submarines.

Now the Supreme Commander (OB) and SOS Alarm Systems which, among other things, handles calls for the fire department, ambulance and police in several communities around the country, have agreed that the 90 000 number can also be used to report any foreign submarines.

The alarm center knows the proper military authority to inform and will connect the caller with it.

"It was primarily the incidents along the coast of Norrland late last summer that prompted the discussion about a faster alarm system," says Jan Thuninger, spokesman for the defense staff.

In the last report of incidents for 1986, published by the defense staff last Tuesday, it was stated that the number of reported submarines during the last quarter was about the same as in 1985. The reported sightings are not so clear that the defense can say positively that foreign underwater activity has taken place.

On the other hand, OB is fully convinced that violations did take place at an earlier time in 1986. He is referring to incidents during the summer and fall along the coast of Norrland, among other places. The previous year, the defense could not say with the same conviction that violations actually had taken place, so it used the expression "with great probability."

"The government is seriously concerned about the collective picture in OB's report about incidents during the fourth quarter of 1986," says Defense Minister Roine Carlsson in a statement.

ENERGY EXPERT: COUNTRY HEADED FOR POWER SHORTAGE BY 1995

Helsinki HUFVUDSTADSBLADET in Swedish 19 Dec 86 p 2

[Article by chief engineer Ornulf Ramm-Schmidt; first paragraph is HUFVUDSTADSBLADET introduction]

[Text] Chief engineer Ornulf Ramm-Schmidt here reviews planned power plant construction, concluding that it is inadequate and that Finland is threatened with a power shortage as early as 1995.

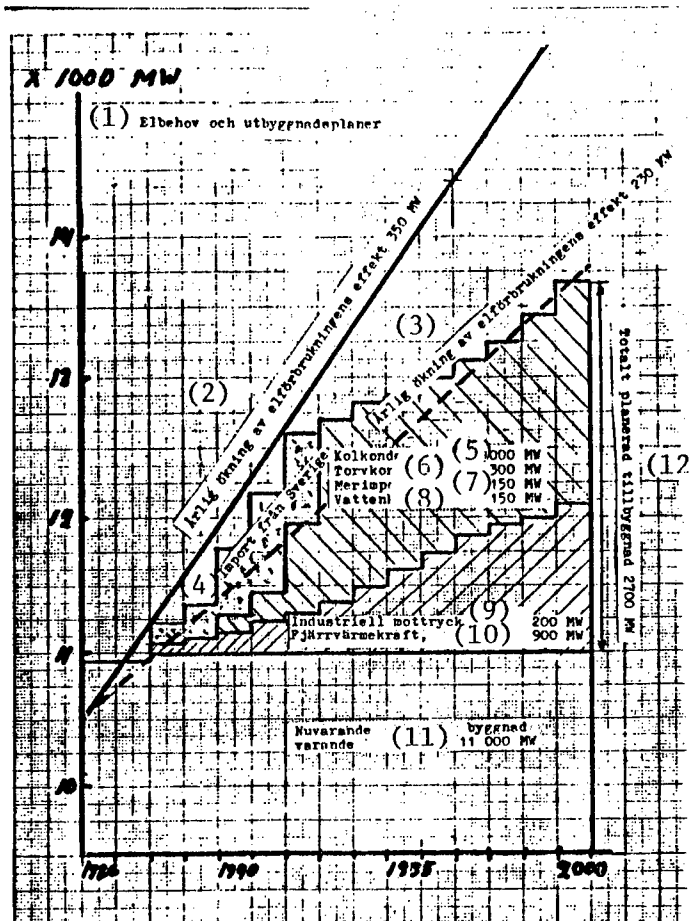
Peak electricity consumption increased by 1,120 MW in 1985, by 610 MW in 1984, and by 450 MW in 1983. The average increase over the past 10 years has been 354 MW per year, according to official energy statistics.

Electricity consumption in Finland has doubled every 10 years since 1930. There has been so-called exponential growth (the "compound interest" principle), in which the average percentage increase per year totaled around 7 percent until 1980 and then dropped to around 5 or 6 percent. There is no longer any support for the exponential growth philosophy. Instead, a somewhat constant increase in annual electricity demand is anticipated. The Ministry of Trade and Industry has chosen a figure as low as 230 MW per year. This means that the percentage of increase will drop steadily, in this case from 2.3 percent in the first year to 1.8 percent in the 10th year. It reflects a sudden belief that there will be a sharp drop in the load increase. On that basis, it has been decided that the need for new power plant capacity will increase by only 2,700 MW through the year 2000.

To make those figures more vivid and easier to understand, I have drawn up the diagram below, which graphically illustrates both the increase in electricity requirements (the slanted straight lines) and the available power plant capacity per year as currently planned. The vertical axis represents electricity output in thousands of MW, and the horizontal axis shows the years from 1986 to 2000.

The bottom horizontal line shows current capacity and capacity under construction, including current imports from the Soviet Union, which are expected to continue even though the present contract will expire in 1989. All those amounts together add up to 11,000 MW.

Shown immediately above that on the graph is the power available from industrial back-pressure turbines and local district heating plants. These have been put into a single group because they both represent the concept of combined electricity and heat production. What this involves, of course, is electricity obtained as a byproduct when needed heat is produced by a steam turbine process. In this case, the need for heat must be strongly concentrated and large enough to make investment in a combined power and heat



Key:

1. Electricity demand and planned expansion
2. Annual increase in consumption (at 350 MW)
3. Annual increase in consumption (at 230 MW)
4. Imports from Sweden
5. Coal condensing power: 1,000 MW
6. Peat condensing power: 300 MW
7. Additional imports: 150 MW
8. Hydroelectric power: 150 MW
9. Industrial back-pressure turbines: 200 MW
10. District heating plants: 900 MW
11. Current capacity and capacity under construction: 11,000 MW
12. Total planned expansion: 2,700 MW

plant profitable. This means that there must be some potential for that kind of back-pressure generation, which is very advantageous in itself. In the Ministry of Trade and Industry's expansion plans, it is estimated that that potential through the year 2000 will amount to 200 MW of industrial back-pressure power plus 900 MW of district heating power. That estimate seems overly optimistic, and it probably cannot be achieved without considerable financing support from the state.

We also see from the diagram that planned capacity includes very sizable imports from Sweden. For that purpose, a direct-current cable is being laid from the Forsmark nuclear power plant to Rauma. Those imports will begin in 1988 at a power level of 100 MW. The level will rise to 200 MW in 1989 and then continue at 400 MW in 1990, 1991, and 1992. At the end of 1992, our imports from Sweden will be discontinued because that country expects problems in managing its power resources, the reason being that because of the referendum in 1980, it cannot build any more nuclear power plants. There has also been talk that Sweden may demand return deliveries of its exported quantities of electricity after Finland completes its big new power plants--that is, beginning no later than 1994 and continuing for 5 years thereafter.

In the largest group of new power plant construction projects, we find coal condensing power plants in Pori and Kotka (500 MW each), peat condensing power plants in Haapavesi and Pudasjarvi (150 MW each), additional imports from the Soviet Union (150 MW), and miscellaneous new hydroelectric plants (150 MW).

Condensing power is, of course, steam power that is generated preferably in large steam generating plants without using the heat from the cooling water. The only purpose is to generate electricity. Because the heat from the cooling water is lost, efficiency is 40 percent at the very most--in other words, 60 percent of the heat contained in the fuel is carried away in the cooling water at such a low temperature that it has scarcely any value. There are people who find it hard to realize that most of our electricity generation is necessary just so that 60 percent of the heat in the fuel can be lost. They think that such power production should be banned. But here we are dealing with a law of nature, and 98 percent of the entire world's steam power production is condensing power. There is simply no potential for back-pressure production of just any size. In any case, Finland is a leading country in this area, with 23 percent of its power being produced by back pressure because of its relatively great need for residential heat and its forest industry, which consumes such large quantities of heat.

The peat condensing plants now being planned have a capacity of 150 MW each. These are immense installations costing between 700 million and 800 million markkaas each, but even at that, 150 MW does not equal even half a year's average increase in power requirements. Peat condensing power will therefore be so expensive that it will not be profitable without sizable support from the state budget.

The "additional imports" shown in the diagram have reference to an increase in current electricity imports from the Soviet Union. That contract will expire in 1989, but the assumption in the Ministry of Trade and Industry's reports is

that it can be extended indefinitely. There is a great deal of uncertainty concerning not only the current imports and their extension but also the completely new "additional imports." We have already seen signs that the Soviet Union's possibilities for exporting to us are not inexhaustible. These may also become quite expensive imports in terms of price. In any case, the electricity in question is being generated in nuclear power plants on the other side of the border. It is quite remarkable that that nuclear power should be so much more appetizing to our people even though we have no means of monitoring safety conditions there.

A small amount of hydroelectric power (150 MW) is also included in the plans. As a yardstick, we can mention the Imatra hydroelectric plant--Finland's largest--which has an output of 158 MW. There is also some uncertainty surrounding hydroelectric power, especially in view of the new Waterfall Act.

As was said earlier, the expansion plan through the year 2000, which calls for 2,700 MW in new power plant capacity--the implementation of which is associated with many uncertain factors--is based on the expectation that future consumption demand will rise by an average of 230 MW annually (see the broken line in the diagram). The percentage increase in load would therefore amount to only 2.3 percent the first year and 1.8 percent in the 10th year.

In these circumstances, it is perfectly clear that growth is going to be considerably greater than indicated by the above-mentioned growth figures. If we increase the constant figure for the annual rise in power needs from 230 MW to 350 MW, we get a percentage increase amounting to 3.2 percent in the first year and 2.4 percent in the 10th year. That value is still less than half the average percentage increase during any decade since electricity began to be used in Finland. It therefore represents an extremely conservative growth trend that is graphically illustrated by the solid slanted line in the diagram, from which we can see how much power plant capacity must always be available in each year. A responsible authority for the management of power resources should not shut its eyes to these facts.

The power requirement shown by the line in the diagram also includes an amount of 1,500 MW which must be held in reserve in case of equipment breakdowns or low hydroelectric production due to an abnormally dry year, which can reduce hydroelectric capacity by as much as 1,000 MW.

This survey shows that we may be able just barely to get safely through 1993, provided that all the expansion described is really carried out and if we knock a little off the reserve capacity. But after 1993, we will have to sacrifice most of our reserve, and beginning in 1995, the power shortage will already exceed 1,000 MW.

It looks as though the play about power plant construction is going to be a never-ending serial.

11798

CSO: 3650/46

POLL INDICATES OPINION ON NUCLEAR ENERGY AT PRE-CHERNOBYL LEVEL

Stockholm DAGENS NYHETER in Swedish 1 Feb 87 p 15

[Press Wire Service reopr: "Worry About Nuclear Power Decreasing"]

[Text] The worry of the general public about the risks of nuclear power is decreasing and is beginning to return to the pre-Chernobyl level.

63 percent of those questioned during a Swedish Institute for Public Opinion (SIFO) poll said last January that the plan for the elimination of nuclear power by the year 2010, decided on by the parliament after the referendum of 1980, should be followed. 25 percent stated that the Swedish reactors should be closed down now, even though it might lead to higher electric rates.

Since the end of the 1970's, SIFO has regularly polled the Swedes on their attitude towards nuclear power. This is being done on behalf of the Nuclear safety Board, which is tied to the nuclear power industry. 1,022 persons between the ages of 16 and 74 were polled in January.

According to this, a total of 29 percent replied that they were somewhat or quite worried about nuclear power and its risks. Corresponding numbers for May and September last year--that is the months after Chernobyl-- were 35 and 42 percent respectively.

The large difference between men and women is still remarkable. Of those 29 percent, 42 percent were women and 16 percent men.

A similar development can be seen in the view of Swedish nuclear power plant safety. 71 percent are optimistic about reactors being operated without serious accidents. On that point 18 percent are pessimistic.

"The discussion among the party leaders about nuclear power must, of course, be based on an acceleration of the closing of the plants. The deliberations must lead to a rapid closing of Barseback. Otherwise an agreement, if any, would be worthless."

This was said by Lennart Daleus (Center Party) when the Popular Campaign Against Nuclear Power and Weapons held a meeting in Enskede outside Stockholm last Saturday.

12339

CSO:3650/58

STOCKHOLM'S NEW COAL-FIRED POWER PLANT USES PFBC TECHNOLOGY

Stockholm DAGENS NYHETER in Swedish 1 Feb 87 p 43

[Article by Roland Gyllander]

[Text] Coal firing with the PFBC technology--now being used in the new power and district heating plant in Vartan, Stockholm--is a form of so-called fluidized bed combustion. If air is blown through a layer of sand from below, the grains of sand begin to "float" around each other at a certain rate of air speed--the sand starts acting like a simmering liquid. When the sand is glowing hot one can add fuel and get it to function as a combustion chamber.

As the fuel dances around in the glowing sand in a constant flow of air, combustion becomes much more efficient, 99 percent or more. Steam can be quickly produced in water pipes set in the bed; the heat transfer is good because the sand is in constant motion. A steam plant for producing power or heat can be made much smaller with a fluidized bed furnace than an ordinary steam boiler facility with flame burners.

The efficient heat transfer means that the temperature of the fluidized bed can be kept low, at around 800-900 degrees. A piece of iron glows light red at that temperature. In a plant fired with pulverized coal combustion occurs at around 1700 degrees, a "white-hot" temperature that would liquefy the iron.

The low fluidized bed temperature has environmental advantages. It is primarily at high combustion temperatures that the nitrogen and oxygen in the air combine to form acid nitric oxides.

Another environmental hazard leading to acid rain is the sulfur content of fuel. In a fluidized bed the sulfur can be "bound" in connection with the combustion process itself by adding limestone in granular form--the "sand" in the bed actually consists of limestone granules. The granules dance around in the bed along with the fuel and combine with the sulfur to form calcium sulfate--gypsum.

Fluidized beds of this type--which in contrast to PFBC operate at regular atmospheric pressure--are already in commercial operation in many places in industries and district heating plants, Nykoping being one example. They are often equipped with a double bed, in part to reduce external dimensions.

Combustion Under Pressure

PFBC, which is being used in connection with the new power and heating plant in Vartan, stands for Pressurized Fluidized Bed Combustion. Here the trick is to have combustion occur under pressure--the entire fluidized bed is located inside a pressure chamber. Air is added for combustion at a pressure of 12 bars, around five times higher than the pressure in an automobile tire, and the combustion gases leave the bed at almost the same pressure. This has the following advantages:

The plant can be constructed in an even more compact form. A PFBC plant is more than 70 percent smaller than a similar flame-fired furnace facility.

The thermal efficiency is increased, in other words fuel consumption is cut by 10-15 percent. Thanks to the pressurization the exhaust gases can be used to run a gas turbine before they go into the smokestack. A power plant with a PFBC furnace can thus run a regular steam turbine as well as a gas turbine, both of which power electric generators. If the plant is built solely for the production of electricity it can reach 44 percent efficiency, thanks to this so-called combined cycle, compared to a maximum efficiency of 38 percent for the ordinary type of condensor plant for the production of electricity.

The compressed air can "lift" a fluidized bed that is three or four times higher than a bed operating at regular atmospheric pressure. In addition the air and gases pass up through the bed at a considerably lower speed--the gas stays in the bed around 3 seconds instead of half a second. This means even better combustion and sulfur absorption along with less formation of nitric oxide. Toxic hydrocarbons and carbon monoxide are also burned up.

Environmental Risks

Nitric oxide emission can be reduced further by adding ammonia to the system, but from the point of view of transportation this is a dubious step that involves other environmental risks.

"I am sure we will meet the strict environmental requirements for the Vartan facility even so," said Sven A. Jansson of the PFBC division of the Swedish General Electric Company [ASEA].

As yet there are no full-scale plants like this in operation anywhere, but ASEA-PFBC has been operating a pilot plant in Malmo for 3 years. Its thermal capacity is only 15 MW--compared to 200 MW for each of the two modules in the Vartan facility--but it is built of full-scale components and the results have strengthened ASEA's confidence in the technique.

Among other things they have tested coal with sulfur contents between 0.8 and 7 percent with good results, studied wear and tear on the parts exposed to ash or sand particles--the package of pipes in the bed has a life of 8 years or more--and worked out a new fuel system in which the ground coal and limestone are combined with 25 percent water and pumped into the combustion chamber in a kind of paste.

If the Vartan installation becomes a reality it is estimated that it will be ready by the early 1990's and will take care of around 40 percent of the heat supplied by the Vartan plant to the district heating network. The capacity selected for each module--200 MW--is an adjustment to one of ASEA-STAL's existing gas turbines.

Air Lifts Bed

The pressure chamber in each module is a standing cylinder 12 meters in diameter which contains in addition to the fuel chamber itself such things as ash separators, ordinary cyclones where dust is removed from the gases before they are conveyed to the gas turbine. The exhaust gases from the gas turbine go through heat exchanges and dust-separating textile filters before they get to the smokestack.

The gas turbine also operates a compressor that supplies the pressure chamber with compressed air. This air enters through holes in the bottom of the fuel chamber and "lifts" the bed where the combustion takes place.

The ashes are removed from the bottom of the cyclones by means of a system that does not release the gas pressure in the pressure chamber. There are no moving parts in the pressure chamber with the exception of the valve in the gas-fired starting mechanism that preheats the bed.

The energy process can be regulated by changing the height of the bed. The bed sand can be "blown out" of the fuel chamber or replenished from a container outside the chamber.

Electricity, Filters Clean Smoke

If anything belches from smokestacks today it is usually water vapor on very cold days. If one wants to see black coal smoke issuing from a smokestack one must visit a railroad museum or look at lovingly preserved old steamboats.

Coal is certainly making a comeback as one of our most important sources of energy, although the process is sporadic and depends on oil prices and oil crises. But this is happening under previously unheard-of pressure from environmental groups at all levels.

When coal firing consisted of shoving big lumps of coal into a furnace, the environment was protected mainly by building higher smokestacks. When the smoke drifted so far away that it could no longer be seen it was for all practical purposes gone--at any rate soot no longer fell on those who were prepared to file complaints about it.

As the forest of smokestacks increased in density, this self-deception became embarrassingly transparent. But little by little the smoke thinned out for several reasons:

Combustion technology has improved. Steam boilers have become more efficient and by grinding coal into a powder and blowing it so that it burns almost like

a gas flame one can obtain good combustion and thus reduce the amount of ash in flue gases.

Coal is being replaced by heating oil to a large extent. A properly adjusted oil burner flame will burn without producing any ash.

The cleansing of flue gases has become more efficient. Ash-separating cyclones and ash-screening electrofilters clean the smoke of soot. Modern textile filters shaped like tubes of fiberglass or artificial fibers (it is somewhat like blowing the smoke through a wool stocking) are relatively easy to care for and very efficient.

But the death struggle of forests and lakes shows that the visible smoke is only the tip of the iceberg. The gaseous and thus invisible waste from smokestacks and flues--carbon monoxide, sulfur and nitric oxide, aromatic hydrocarbons, dioxins, ozone, etc.--require special and often costly measures to control.

In addition a new air polluter has appeared on a broad front: automobile traffic. As the expansion of district heating networks cuts the number of home furnaces in one part of the city after another, cars stand out as society's most prominent polluters, especially with regard to nitric oxide emissions.

Sulfur from coal firing is usually controlled by adding lime: calcium and sulfur form calcium sulfate, gypsum. The lime can be mixed with the fuel before it is burned, it can be added to the combustion flame itself or sprayed in as calcareous silt in so-called scrubbers to clean escaping flue gases. The result is gypsum in large quantities, but this is fairly manageable from an environmental point of view.

Nitric oxides form more readily in hot and air-rich combustion flames. The efficient pulverized coal flame is a heavy nitric oxide source and in recent years an entire science has sprung up around different methods of adding fuel and air to furnaces in such a way that nitric oxide formation is minimized. It is a natural advantage of the fluidized bed furnace that its combustion temperature is so low.

A very effective method of cleaning coal is to first turn it into a flammable gas or liquid. But nothing is free. The production process uses a lot of energy and the amount of waste is often large and hard to deal with.

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END